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Business Plan of an innovative start-up: *Softeo*

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Resumen Ejecutivo

En el contexto de dar solución al problema generado por la falta de enseñanza y medición de *soft skills* durante toda la trayectoria académica y la oportunidad de llevar a cabo un proyecto innovador, un grupo de tres estudiantes de administración y dirección de empresas participamos en el octavo concurso de Comillas Emprende para crear una *start-up* real basada en la creación de un producto diferenciador.

Softeo es una plataforma innovadora creada con tecnología EdTech que tiene como propósito ser una herramienta útil para los estudiantes de secundaria para identificar, evaluar, medir y cuantificar las habilidades no cognitivas. Esta plataforma pretende proporcionar a los estudiantes un factor diferenciador para minimizar desde la más temprana edad la brecha entre las habilidades no cognitivas demandadas por el mercado laboral y las presentes por los recién graduados. Por último, Softeo procura ofrecer una ventaja competitiva a los colegios que hacen uso de esta plataforma, ya que gracias a esta *start-up* tendrán la oportunidad de ofrecer un plan de estudios holístico.

El presente estudio se centra en la elaboración de un Plan de Negocio para la *start-up* Softeo. El trabajo se ve dividido en tres grandes bloques: una primera parte, donde se desarrolla extensamente el *Business Model Canvas*; una segunda parte, donde se analiza en profundidad el análisis externo de la compañía; y una tercera parte en la cual se explica el plan de marketing, la estructura de la empresa y el plan financiero.

Palabras clave: *soft skills*, *start-up*, EdTech, *Business Model Canvas*, estudiantes, colegios.

Abstract

In the context of solving the problem generated by the lack of teaching and evaluation of soft skills throughout the academic trajectory as well as the opportunity to carry out an innovative project, a group of three business students participated in the eighth *Comillas Emprende* contest to create a start-up that will result in a differentiating product.

Softeo is an innovative platform that uses EdTech technology. The start-up aims to become an indispensable tool for secondary students to identify, evaluate, measure, and quantify non-cognitive skills. In addition, this platform intends to minimize the gap between the skills demanded by the labour market and those presented by recent graduates. Finally, Softeo aims to become a competitive advantage tool for schools since they will have the opportunity to provide a holistic curriculum.

This paper focuses on the development of a Business Model for Softeo. The project is divided into three different blocks: the first section, extensively develops the Business Model Canvas; the second part, analyses the external environment of the company; lastly, the third section explains the marketing plan, the organizational structure, and the financial plan of the start-up.

Key Words: soft skills, start-up, EdTech, Business Model Canvas, students, schools.

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1. Introduction

This paper focuses on the development of the business model for the start-up Softeo, it is based on the implementation of analysis, evaluation, and quantification of non-cognitive skills in education centres during secondary school. After an analysis of said skills, its market demand, internal and external environment, the business model of the company is presented, as well as the marketing, operation's structure, and financial plan.

1.1 Motivation to do this project

The world is changing. The Covid-19 pandemic has changed the way we live, move, communicate, and considerably increased the dependence on technology. The 2020 world crisis will change life for the long term and force us to evolve according to these changes. My personal experience during the pandemic was mostly affected by the online shift to video-call classes and the difficulty to find a suitable job. In fact, the article by Dr. Vinayak Kumar and Ram Prasad Modalavalasa highlights five lasting changes from the Covid-19 pandemic, employment and education being part of that reduced list. In the case of employment, they explicate how the pandemic has accelerated the process of replacing jobs with technological automation with the final aim of reducing infection risk and increasing productivity. In addition, unemployment has considerably increased in many areas around the world, including Spain, and companies like LinkedIn or Udemy are offering courses for retraining purposes. On the other hand, in the case of education, virtual curriculum is growing. There has been an increase in the use of online teaching platforms such as Coursera and Kahn Academy and post pandemic these resources will still be used, as well as new EdTech platforms that might arise (2020).

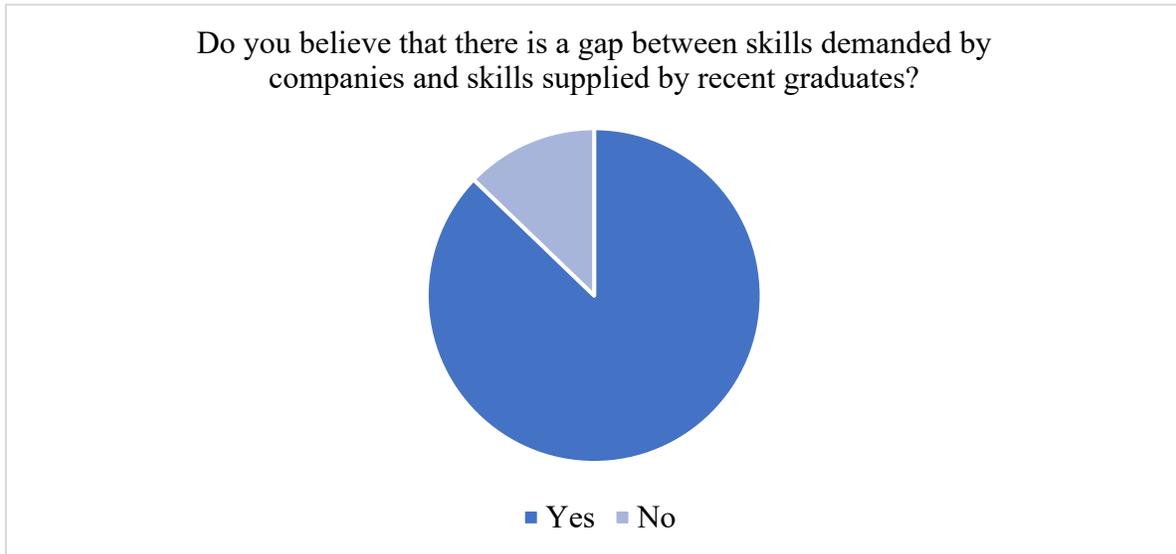
I personally faced this problem during this academic year while taking different interview processes. I was constantly tested in skills that I have never had the ability to study or even knew about before. For example, my interview process for the firm Bain & Company required to take a test using the Pymetrics platform. These tests measured the personal attributes that makes a person successful including evaluating cognitive, social, and emotional characteristics (Bain & Company, 2020). After failing this process, I realized that companies were measuring these skills, instead of

taking into consideration the cognitive skills we were taught during my academic trajectory. This phenomenon was repeated within my teammates as well as my classmates.

I can conclude, as well as my teammates, that this year we have been encountered with the fact that the demand for soft skills, those attitudes that make us human, has considerably increased together with technological advances. In addition, the Covid-19 pandemic has significantly accelerated this phenomenon (EC Brands, 2021). The increase in technology has demanded a more sophisticated skill set requiring technological knowledge, however, many jobs cannot be replaced by technology and require a human connection that technology won't be able to supply (McKinsey & Company, 2019). Therefore, this has created a gap between the skills demanded by the work force and the ones presented by recent graduates. Softeo is born here.

After asking family, friends, and friends of friends we realized that this issue just described was major. Students go into university without developing or knowing about any of these skills. In addition, university students do not train or are not informed about the importance of these set of non-cognitive skills until they are encountered with interview processes. Therefore, after carrying out a market demand survey (Annex 1) and further investigating about this common issue, we concluded that we wanted to tackle this problem from the source. The results from the survey, specifically, question 2, confirmed that there is a problem regarding the soft skills that graduates possess and the ones demanded in the market. In addition, question 3 highlighted that these cognitive skills should be tackled throughout the whole education (see Figure 9). Moreover, we had informal interviews with school professionals that confirmed that their purpose included teaching soft skills, but they did not have the means or ability to measure and evaluate those skills.

Figure 1: Results of Question 2 of the Survey (Annex 1)



Source: Personal Elaboration

Therefore, my team and I decided to evaluate the possibility of developing a platform that could solve this issue from the source. We devised a plan to create a platform that would identify, measure, evaluate and quantify the soft skills in secondary students, hence introducing the importance of learning and understanding non-cognitive skills from the beginning of adulthood.

1.2 Objectives

The aim of this project is to develop a business model for Softeo, a startup that will innovate the education sector in Spain. To do so, we have developed the following specific objectives that will aid in reaching the final goal of the project:

1. Study the importance of soft skills in today's labour market.
2. Develop external analysis of the company by carrying out a Porter and PEST analysis.
3. Present the business model of Softeo by using the Business Model Canvas tool.
4. Analyse the marketing, operations, and financial plan of the start-up

1.3 Methodology

In order to achieve the previously stated objectives, the first step will be to carry out a research-based study on the topic of soft skills. To collect this information, we will be using academic sources such as reports from McKinsey & Company or use the tool Google Scholar. We will start by correctly understanding the problem and understanding the possible solutions the market is offering. In addition, we will engage in informal conversations with university students, secondary school students, teachers, professors, and professionals to gain different perceptions on the issue suggested.

At the same time, my team and I will carry out a Market Demand Survey (Annex 1) through SurveyMonkey to have a better understanding of how we could develop a start-up that would solve the problems found through the informal conversations. The survey consists of seven questions, one of them being demographic, the rest try to simplify the problem of lack of soft skill education. We intend to identify the issues and limitations that the students present when it comes to finding a job. In addition, we aim to understand the details of the problem, such as which non-cognitive skills are lacking the most and at what age should they be introduced.

After carrying out a meticulous analysis of the problem and market needs and demands, we will proceed to design a revolutionary EdTech start-up that will find a solution to these issues through the creation of its business model. The development of the start-up and its business model will be marked by the stages of the 8th *Comillas Emprene* Edition, supervised by the Adventurees platform. In addition, we will count with a specialized mentor that will aid us in the creation of the business model.

Following, to define Softeo's business model I will be using the Business Model Canvas (BMC) tool, created by Alexander Osterwalder and Yves Pigneur. The BMC divides the company into nine different sections that illustrate the final business model and strategy of the start-up (Strategyzer, 2019). However, even though I will be using the BMC to devise the business model of Softeo in this paper, during the *Comillas Emprene* contest we used the platform Adventurees. This platform was very useful to further understand the pre-seed stage of the project. We first

investigated the technological, market, and business side of the start-up through research. Next, we tested the viability of these three variables. Lastly, we examined the possibility of developing the start-up through these three factors. The use of the platform Adventurees will be very beneficial for the subsequent development of the Business Model Canvas.

The next step requires an analysis of the environment in which Softeo will operate. To do so, we will first carry out a PEST analysis of the environment the company is in. The PEST will examine the political, economic, social, and technological factors within the area of Spain. This analysis will test if Spain is a firm choice for launching our start-up. In addition, I will execute a Porter analysis to understand the industry in which Softeo will operate. The Porter analysis will be essential to devise a successful strategy for the start-up. Lastly, taking into consideration the survey previously conducted (Annex 1), we will explain the market demand of the product.

Moreover, after analysing the internal and external environment in which Softeo will run, it is essential to understand the strengths, weaknesses, opportunities, and threats the company will face, this will be carried out through a SWOT analysis. This study will be crucial to comprehend the areas where the company should focus on improving and selling as well as the possible measures that must be taken against market threats.

Lastly, taking into consideration Softeo's business plan, the environment in which it will operate and the start-up's SWOT analysis, we will carry out a marketing plan, organizational structure, and financial plan.

1.4 Structure

This project is divided into seven sections:

The **first section**, this chapter, counts with a brief introduction that aims to introduce the topic this paper will tackle. The objectives, methodology and structure of the project are defined.

The **second part** includes Softeo's business model. It starts with a brief description of Softeo's aims and goals including its mission, vision, and values. In addition, the business model is explained using a Business Model Canvas.

Following, the **third section** includes an analysis of the external environment of the company. This chapter is divided into three subdivisions. The first studies the external environment using a PEST analysis. The second examines the industry using a Porter analysis. The last section analyses the market demand of this industry.

The **fourth chapter** summarizes all the information previously explained into a SWOT analysis to understand strengths, weaknesses, opportunities, and threats.

The **fifth part** comprises an analysis of Softeo's operations plan, including an insight in Softeo's marketing plan and organizational structure. In addition, the **sixth section** further explains the financial model of the startup.

The **seventh chapter** assembles the conclusions, and it is analysed if the objectives described in the first section are met.

Lastly, this paper ends with a bibliography where all the sources used for the creation of this project are included, as well as the annexes.

2. Softeo Business Model

2.1 Softeo

Softeo is built with the aim of:

5. Aiding education centres to identify, measure, evaluate, quantify, and analyse soft skills for their future empowerment.

6. Proposing education centres with a differentiation tool to provide a holistic curriculum based on cognitive and non-cognitive skills.
7. Providing a solution to the issue of students leaving school without having the necessary soft skills to better perform personally and professionally.
8. Helping schools raise awareness of the importance of non-cognitive skills that universities and companies require for a successful development in an increasingly technological and competitive environment.
9. Offering a solution to the existing gap between the competencies, capacities and attitudes required by companies, and those offered by the professional profile of postgraduates.

Softeo is a three-way platform (PaaS) for schools, students and parents that identifies, evaluates, analyses, and quantifies the soft skills of secondary school students. In addition, Softeo is a tool directed to schools that involves evaluating non-cognitive skills in a measurable and reliable way. The main objective of this platform entails granting educational centres the opportunity to offer a complete education that will differentiate them from the rest of schools.

After understanding our possibilities, we decided to focus on three soft skills during the introduction phase and expand it to six during the expansion phase. To decide which skills were the most important ones, we carried out a market demand survey (Annex 1) based in Spain. The non-cognitive skills that Softeo will cover in the introduction phase of the platform (2021-2023) are: critical thinking, negotiation skills and problem-solving skills. Following, in the expansion phase (2023-2026) Softeo will offer a total of six non-cognitive skills to evaluate, these will be: critical thinking, negotiation skills, problem-solving skills, emotional intelligence, leadership and communication skills.

The evaluation of these soft skills will first be carried out through a **Minimum Viable Product**. Each soft skill is measured by a series of variables predefined by the educational psychologist, which will be weighted to give a final score to the student. The software will run from an excel that collects the data, as well as from a data analysis tool which in our case will be **Project Jupyter**. This last platform will be beneficial to create the necessary dashboards with the results obtained

from the tests and evaluations and illustrate the main statistical metrics for teachers, students, and parents to easily read.

In short, our aim is to develop a competent soft-skill measurement software that will add value to educational centres. The technology behind the system collects information from periodic personality tests and reports of school experiences developed by the psychopedagogue specialized in this subject:

- **Periodic personality tests** that will identify characteristics of an individual. The type of test used evolves according to the data collected at each stage of teaching:
 - **Questionnaires** made up of personal questions regarding the assignments carried out in class.
 - **Dashboards** that will facilitate the interpretation of a student's soft skills abilities.
 - **Aptitudes test** to evaluate the activities in which the student has a greater aptitude.

The tests are repeated with different content to measure the student's progress in the specific soft skill during their secondary education.

- **School experiences** such as public performances, group work, individual projects, and educational practices. The information is collected through accessible online forms which will be easily accessible through our platform. Depending on the experience, data comes from guided self-reflection and/or 360-degree feedback. Meaning that the different parties involved in the assignment, teachers, and students, will have evaluate the student according to previously defined parameters.

The personality tests and online forms present a **scoring model** designed by Softeo's psychopedagogue, in which predefined variables are weighted and traceable to each soft skill through the platform. Hence, the software will develop a personalized image of the non-cognitive skills of each student. The combined work of the software developer and psychopedagogue will

be vital for the correct development of the software. The results are displayed as seen in the figure below:

Figure 2: Platform Design



Source: Personal Elaboration

2.2.1 Mission, Vision and Values

Softeo's **mission** involves promoting a change in the Spanish educational system by focusing on the development, monitorization and analysis of soft skills. Moreover, Softeo will be differential in the market by reducing the gap between the supply and demand of non-cognitive skills. Softeo's **vision** entails developing personalized dashboards through our platform for each student to identify his/her strengths and weaknesses in the scope of non-cognitive skills. Hence, this will facilitate educational centres to empower their ability to introduce soft skills as part of their curriculum differentiating them from the rest of schools.

Softeo's **values** include:

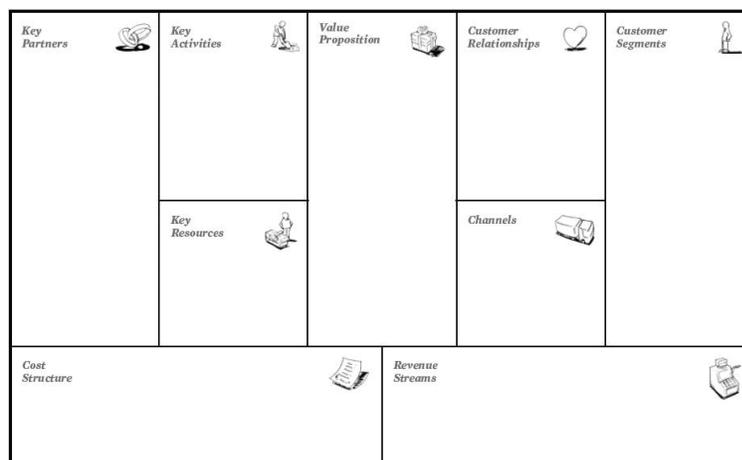
- **Transparency:** the data we collect will be protected. The data will not be used for profit-making purposes.
- **Innovation:** through direct contact with our partners, through educational research and cutting-edge technological development.

- **Quality:** we analyse the main features of the most demanded soft skills in the market. The evaluations are 360°, involving all agents in the development of these skills.
- **Passion:** we demonstrate our love for education and our desire to improve the future of all students in our country.
- **Clarity:** we present data in an easy, simple, and concise way for all users to understand.
- **Prestige:** our client network is made up of the most prestigious schools.

2.2 Business Model Canvas

In order to analyse the basic aspects of the business idea, Softeo, we will be using the Business Model Canvas (BMC) tool. The BMC is a strategic management and lean startup instrument designed by Alexander Osterwalder; it is divided into nine quadrants that study the different components of a business model. It examines the value proposition, explores potential clients, analyses the possible strategic partners, as well as the competitors, threats, opportunities etc. (Strategyzer, 2019).

Figure 3: Business Model Canvas



Source: Strategyzer

Figure 3 exemplifies the Business Model Canvas. The nine quadrants of the BMC intend to illustrate the chain of reasoning of how a company will deliver value and make money. The nine blocks answer three essential questions that elucidate the three main areas of a business. The first question being: **is it desirable?** deepens into the value proposition, customer segments, customer relationships and channels that a company is going to have. The second question **is it feasible?** analyses the possibility of delivering the product by explaining the key activities, key resources, and key partners. The last question studies the economic segment of the model: **is it viable?** where the cost structure and revenue streams are analysed (Strategyzer, 2019).

2.2.1 Customer Segments

In this segment of the Business Model Canvas, we are going to analyse the different groups of people or organizations that our business intends to reach and serve. The study of this area is key since customers are the heart of the business model, without clients the company wouldn't reach its aims, they are the ones who decide the success or failure of a business.

First, we decided to group our customers into two main segments: direct and indirect clients. It is important to mention that both groups would be benefited by the use of our platform, Softeo, but only the direct clients will be generating revenues since they will be paying for our services. In addition, we also segmented our clients into actual clients and potential clients, explaining that in the long term we aim to reach those potential customers.

Our direct client will be **private schools**. The main objective is to address the problem of lack of teaching of soft skills in schools as well as providing value-added services that differentiate private schools. We will be focusing our platform on secondary schools since after carrying out a survey (Annex 1), the demand for our service was imperative in students of this age. Lastly, this client aims to align the student's learning with the objective, mission, and vision of the school, which always involves the student's success.

The size of the market, at the launch of the startup, will be private schools in the Community of Madrid that include secondary schools that belong to associations, foundations, and

orders. Table 1 below illustrates the five different associations that we identified as potential customers.

Table 1: School’s Associations, Foundations and Orders

| | | |
|---|---|---|
| CICAE: Alameda de Osuna, Ramón y Cajal, SEK, San Patricio, Mirabal, etc. | Nabbs: International School of Madrid, Hastings Schools, Runnymede, etc. | Other orders or school groups: Mater Salvatoris, International College Spain, etc. |
| Fomento: Aldeafuente, Aldovea, El Prado, etc. | Opus Dei: Retamar, Orballe, Alegra, etc. | |

Source: Personal Elaboration

During the first year we will be introducing Softeo to one school of each foundation to better understand the customers and upgrade our platform according to their demands. In order to make things easier, we have identified one school from each association where we have contacts. Therefore, our pilot customers during the first year will be: King’s College Soto de Viñuelas, Aldovea, Runnymede, Alegra and International College Spain.

Following, our indirect customers are **parents and students**. These clients do not pay for the service, but they take advantage from the platform. **Students** will be benefiting using this platform mainly because they will become more vigilant and conscious regarding their soft skills starting from a young age. Moreover, they will be able to analyse their improvements and therefore become more aware in which non-cognitive skills they will need to work on. They will be learning from trial and error and become more mindful when asking for feedback to their classmates and teachers. We decided to focus on secondary students, ESO in Spain, since the results from the survey (Question 4 from Annex 1) suggested that the best solution would be to focus on the whole school trajectory. However, that solutions seemed very unrealistic for launching the startup therefore we decided to focus on secondary students which was the second most voted age range (33.18% of respondents) for introducing soft skills.

Alternatively, **parents** will also be benefiting from Softeo because the platform is a value-added tool that the school provides delivering a competitive advantage regarding the price parents and guardians pay for the school.

To summarize, the following table, illustrates the direct and indirect clients as well as the potential clients we intend to reach after the five-year launching period. At the moment, our customers are private schools, however, we plan to reach charter schools and private schools once the value of our service is delivered in society. Moreover, we aim to expand our clients list to universities since we believe some students didn't have the opportunity to be formed on soft skills starting from a young age. Lastly, we plan to form partnerships with companies that might be interested in schools that provide a holistic curriculum based on cognitive and non-cognitive skills.

Table 2: Actual and Potential clients

| Clients | Actual | Potential |
|-----------------|-------------------|--|
| Direct | Private Schools | Charter Schools, Public Schools, Universities, |
| Indirect | Students, Parents | Companies |

Source: Personal Elaboration

In conclusion, our main and direct customers will be schools. Softeo will provide schools with a platform that analyses and measures the soft skills of secondary students. This information will be presented in detail, and it will be easy to read for students and parents. Our Minimal Viable Product during the first year will tackle five schools from different associations, foundations and orders, this number will be growing as the years pass. Taking into consideration the data from *Instituto Nacional de Estadística*, INE, the total number of students in private schools in Spain is 78,449 and the total number of private schools with secondary school is 671, therefore, the average number of students in secondary school is 117 (INE, 2020). Hence, considering this information we have estimated an objective market for the following five years that is illustrated below on

Table 3. The first year Softeo will be focusing on the Community of Madrid and starting in year 2 it will expand to other areas in Spain.

Table 3: Objective Market for Softeo

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| Total Possible Demand (# of Schools) | 5 | 10 | 27 | 76 | 230 |
| Total Number of Students Reached | 585 | 1,170 | 3,098 | 8,830 | 26,931 |

Source: Personal Elaboration from INE data

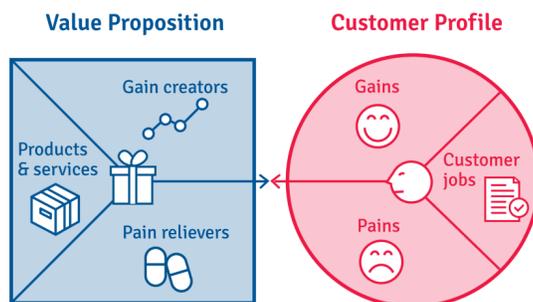
2.2.2 Value Proposition

The Value Proposition seeks to describe the products and services of a company that intend to solve problems and thereby create value for each customer segment identified. In an effort to develop a value proposition that will be successful in today's uncertain market, it is essential to provide an innovative and disruptive solution that somehow adds value to the customer, either by improving an existing product or by developing a new product. To analyse this section, we will be using the Value Proposition Canvas, an illustrative tool also designed by Alexander Osterwalder to guarantee a relationship between the clients and the product (Strategyzer, 2019). There are two blocks identified:

- **Customer Profile Map:** it describes the necessities of a specific client segment within a business model. It analyses the problems customers are trying to solve (customer jobs), the benefits the customer expects (gains) and the drawbacks in getting the job done (pains).
- **Value Proposition Map:** it explains in a detailed manner the specific attributes of the value proposition from the business model. It studies how a product or service relieves customer's frustration (pain relievers), what the product or service has that

benefits the clients (gain creators) and refers to the products and services that are offered to the client (product and services).

Figure 4: Value Proposition Canvas



Source: B2B International

The value proposition canvas, as illustrated in Figure 4, visually exhibits these blocks seeking for the connection between the customer profile and the value proposition. The link created between the two segments is denominated fit, and it occurs when the products and services relieve the pain and produce the gains that coincide with one or more necessities, gains or pains that are essential for the client (Strategyzer, 2019).

We will start by analysing our clients' necessities by defining the Customer Profile Map. To do so, we will be deeply developing on the segments for our direct customer, schools. In addition, we will also identify the customer jobs, gains and pains of our indirect customers, students, and parents.

Customer Profile Map

Customer Jobs:

This section describes the jobs that the customer is trying to get done, the issues they are trying to solve and the needs they are aiming to satisfy. These jobs can be functional, social, or emotional. In the case of Softeo, the activities that our customers are attempting to satisfy are

purely social, since schools want to become unique and provide its students with the most complete and leading curriculum in education, students want to succeed in their careers and parents want to provide the best education for their children.

Table 4: Customer Jobs

| Direct Client | Indirect Clients | |
|--|---|---|
| <u>Schools</u> | <u>Students</u> | <u>Parents</u> |
| Address the problem of the lack of teaching of soft skills in secondary education. | Prepare for the uncertain future in university and in the job market. | Provide their children with a complete and competitive education. |
| Prepare students as best as possible from secondary school, for when the time comes to go out to the job market. | Be able to understand the importance of soft skills in school and daily life. | Give their children the ability to attend to best school with a holistic curriculum. |
| Provide value-added services that differentiate the price paid by parents for a private school. | Have the ability to communicate and express themselves with parents, classmates, and teachers regarding their problems, inquiries and others. | Make sure that the price paid for the private school is worth its value. |
| Provide students with evaluations and analysis on their non-cognitive skills. | Have the capacity of using emotional intelligence, being adaptive and resilient in difficult situations. | Parents are trying to provide their children with an education that will prepare them for the future. |
| Use new innovative EdTech tools that improve the educational, student and teacher experience. | Show leadership and teamwork aptitudes when carrying out a school project, at home, etc. | |

| | | |
|--|---|--|
| Differentiate from the competition of other schools by offering a comprehensive education based on cognitive and non-cognitive skills. | Manifest, critical thinking, innovative and problem-solving skills to reason out school projects and daily life situations. | |
| Implement a new education methodology that complements the traditional classes. | Present motivation in situations where it is a challenge. | |

Source: Personal Elaboration

Customer Pains:

This segment comprises the problems, limitations and concerns that customers experience. Identifying these “pains” is very important since it will help us understand our customer’s demands and hence the right ways to improve Softeo. Table 5 below illustrates the customer pains we have identified for every customer segment.

Table 5: Customer Pains

| Direct Client | Indirect Client | |
|--|--|--|
| <u>Schools</u> | <u>Students</u> | <u>Parents</u> |
| Education centres only pay attention to the development of hard skills since most of them do not consider as important the teaching of non-cognitive skills. | Students do not have the ability to communicate, negotiate, critical think, solve problems, teamwork, etc. | Parents cannot find schools that provide education in soft skills. |
| Schools do not have a platform that presents in a detailed and friendly way an evaluation of soft skills in students. | Students do not know if they are successful or not in the scope of soft skills. | Parents cannot provide their children with the best education possible since |

| | | |
|--|---|--|
| | | schools are outdated with their means. |
| Schools do not have the ability and the means to measure and evaluate soft skills. | Students cannot measure their non-cognitive skills. | Parents can't find a reason to pay a higher price for private schools since they do not offer a competitive advantage. |
| To bring awareness regarding soft skills, schools usually bring guest speakers, but it involves higher costs and little involvement from the students. | Students are not motivated to learn about the importance of non-cognitive skills. | Parents do not know the importance of soft skills for the future of their children. |
| Schools do not have innovative and technological platforms that differentiate them from the competition. | | Parents do not know about their children's performance on everything that is not exams. |
| Schools lack didactic class assignments that require the use of non-cognitive skills. | | |

Source: Personal Elaboration

Customer Gains:

This last section from the customer profile encompasses the benefits that customers will acquire from using the product. This segment doesn't only take into consideration the solutions to the problems identified but also the additional advantages that differentiate Softeo from the competition (Strategyzer, 2019). Table 6 illustrates the customer gains for Softeo's direct and

indirect clients, these involve the necessary gains, the expected gains, the desired gains, and the unexpected gains.

Table 6: Customer Gains

| Direct Client | Indirect Client | |
|--|--|--|
| <u>Schools</u> | <u>Students</u> | <u>Parents</u> |
| The importance of soft skills is introduced in educational centres. | Students become aware of the importance of soft skills in their education development. | Parents will be able to understand the future their children will be facing. |
| Individual and group trajectories of non-cognitive skills can be measured, evaluated, and presented in a detailed way to students and parents. | Students can recognize and analyse their improvement on soft skills. | Parents will be able to supply their children with the best possible education for their future. |
| Schools will provide an education that is applicable in different contexts. | Secondary students have the sufficient time to develop this type of skills. | Parents will be able to see results on skills that are not cognitive. |
| Schools will manage skills that have an impact on employability and personal success. | Students will learn how to be more communicative, negotiate and present more efficiently. | |
| Schools will be able to provide a holistic curriculum based on cognitive and non-cognitive skills that differentiates them from the competitors. | Secondary students that use Softeo will finish school with a competitive advantage. | |
| Schools are creating awareness in the topic of soft skills without the necessity of using extracurricular time. | Students will learn how to critical think and problem solve, essential skills for university and the job market. | |

Schools are providing students and parents with an innovative EdTech tool.

Source: Personal Elaboration

Value Proposition Map

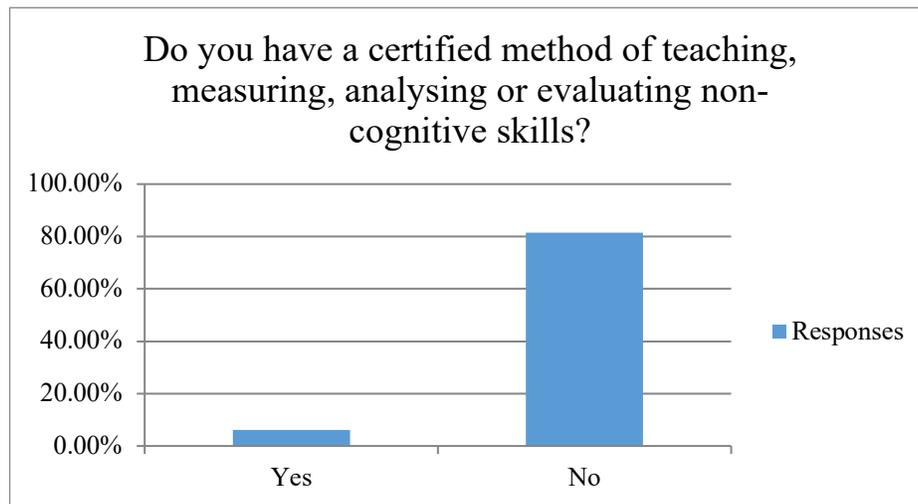
After analysing the Customer Profile Map and gathering information about our customer's profile we will be studying the Value Proposition Map that will aid us in developing the value proposition with the aim of solving the issues identified in our clients. This block is divided into Gain Creators, Pain Relievers and Products and Services.

Products and Services:

This section includes a brief description of the product and services offered to the customer.

First, **schools**, will provide a value added innovative and technological tool to its students that will measure, evaluate, and present in a detailed the development of certain soft skills in the trajectory of secondary students. Another competitive advantage is that schools will be able to shift their learning towards a more complete educational offering and will differentiate in quality from other educational centres. Lastly, the school will be able to shift their curriculums towards a more individualized education taking into consideration the results obtained by the platform. Figure 5 below illustrates how most education centres in Spain do not count with a platform or a certified method of evaluating, teaching analysing or measuring soft skills.

Figure 5: Results of Question 6 of the Survey (Annex 1)



Source: Personal Elaboration

Second, **students**, will take advantage of the platform by learning and evaluating their competencies regarding soft skills while using our services. Students will complete every month a detailed analysis of their performance and improvement on non-cognitive skills. They will be able to analyse which soft skills they are successful in and in which they need to work on therefore becoming more self-aware of the importance of non-cognitive skills.

Third, **parents**, will also benefit from Softeo because they will also have access to the reports students receive and therefore also understand the importance of regarding soft skills.

Pain Relievers:

This segment comprises how our product resolves all the pains we found in the customer profile map.

To start, **schools** will provide a complete curriculum where soft skills will be taken into consideration when imparting classes and giving assignments hence addressing the problem of poor soft skill focus. This will be an opportunity for schools since it will add value to their general

offering. Moreover, Softeo will aid education centres by providing a tool to evaluate, analyse, and measure soft skills in each student during their secondary school trajectory. In addition, teachers and school professionals will have the necessary data to optimize their teaching practices since they will have the information to analyse which non-cognitive skills are lacking in each student and, in general class terms. Lastly, education centres that implement Softeo inside their education system will be making use of new EdTech advances that will differentiate them from the competition at a lower price.

In the case of **students**, Softeo will raise awareness in the field of non-cognitive skills. Moreover, students will pay attention to their performance on critical thinking, negotiation skills, problem solving skills, communication skills, leadership skills and emotional intelligence, the non-cognitive skills Softeo will be focusing on. In addition, Softeo will aid students in becoming better in soft skills, therefore they will count with the necessary skills that will be demanded in university, professional and personal life. Lastly, students will be able to track their improvement in each skill, therefore they will be able to focus their efforts on the soft skills they are not performing well on.

Lastly, Softeo will bring the opportunity for **parents** to provide a complete education for their children focusing on the improvement of non-cognitive skills. In addition, parents will have an incentive to pay a higher price for a private school since the education centre will provide a complete curriculum. Finally, parents will become aware of the importance of soft skills and will be able to track the improvement of their children's non-cognitive skill development.

Gain Creators:

Finally, this section of the value proposition map explains how Softeo will create the customer gains previously explained (Strategyzer, 2019).

First, Softeo will add value to **schools** by providing a technological tool that will evaluate, analyse, measure, and quantify soft skills therefore raising awareness about the importance of these skills. Moreover, Softeo will aid teachers in tracking each student's development in soft skills. This will allow them to adapt their assignments and teaching formats towards an education that

can be applicable in different contexts. Furthermore, Softeo is a user-friendly platform that will report the results in a friendly user way providing a solution to the gap between skills demanded and skills supplied. Lastly, Softeo will be implemented as part of the school curriculum facilitating education centres the ability to introduce these skills within their activity.

Second, thanks to Softeo, **students** will be able to analyse and measure their development in soft skills. Moreover, through the questionnaires and forms, they will become aware of the importance of soft skills and hence become better at them. Finally, the use of Softeo will create a competitive advantage for students.

Third, **parents** will be able to track their children's improvement in these soft skills through the platform. In addition, they will provide their children with a complete education based on cognitive and non-cognitive skills since they can physically see the evolution of their children's strengths on soft skills.

2.2.3 Channels

This section of the business model canvas describes the channels through which a company communicates and reaches the different customer segments that have been previously established. Channels are essential since they play a very important role through the customer journey experience (Strategyzer, 2019).

As mentioned before, Softeo counts with three different clients, schools being the most important customers since they are the ones who will be paying for the product. However, it is important to reach every client and we will be using different channels for each of them.

For our direct client, **schools**, we will start by providing a pilot test that will last four months with five schools where we have contacts. We will reach these five schools by using the direct sales channels through personal meetings with the school administration with the aim of proposing the idea. If this turns out to be favourable, we will hold regular meetings with the school

administration to further explain the benefits of the product and to collect the necessary information we need to run the platform. If the pilot test is successful, we would expand our network of schools by contacting schools from the same associations and offer a freemium experience, 4 months of free trial, during the first two years. Once we reach a higher customer network, we would keep contact with schools through the following tools:

- Through the platform, email, chatbot, social media and telephone.
- Through events: IFEMA, aula live connects, the Summit by Simo Education

For our indirect client, **students**, we will first use the school as a channel by organizing information events that will explain the benefits of Softeo as well as give instructions on how to use it. It is essential to motivate students to properly use the platform as well as to remind them the benefits Softeo will bring in the long run. It is very important that students understand what the product consists of because, although the schools are the direct clients, the students are the users of the platform and if they do properly use it, education centres will not implement Softeo in their curriculum. Therefore, we will also reach students through the platforms they use the most: social media. We will be creating a specific account for Softeo in Instagram, TikTok, Facebook and Twitter. Through these platforms we will be posting content that students will relate to hence encouraging the proper use of Softeo.

Lastly, for our second indirect client, **parents**, we will also hold information events that will explain the benefits of Softeo. In addition, we will be updating them regarding the use of the platform through the web page, emails, and social media.

2.2.4 Customer Relations

This section includes all the activities and the nature of the relationship Softeo will carry out to attract and retain clients from each customer segment (Strategyzer, 2019). Customer's relations will be divided in the following two activities:

- Customer acquisition

- Customer retention

In the first place, in terms of **customer acquisition** activities, these will be directed to introduce Softeo in the market as well as to reach a maximum possible range of potential customers. In the case of our direct client, **schools**, we will offer a four-month trial period during the introduction phase, and we will reduce it to a month trial period during the expansion phase. This will captivate the attention of schools encouraging them to try our platform. In addition, we will count with a marketplace section inside our website that will aim to recommend online courses concerning non-cognitive skills for teachers and students. This will encourage students and teachers to take into consideration the importance of teaching and learning soft skills for their future development. In addition, the data collected from our platform will be merged with the education's strategies of the centre, hence incentivizing schools to adopt Softeo. Following our indirect clients, **students, and parents**, we will captivate them by creating an image of student and parent ambassador from Softeo. The purpose of the ambassador will be to transmit the benefits of Softeo to the rest of the group, create a connection between the school and the platform through our indirect client and to ensure the proper use of the platform. Lastly, we intend to hold informational events to reach all our customer segments.

In terms of **customer retention** activities in **schools**, we will offer personalized assistance by providing a semi-annual report with the progress and trends of each class. This will be beneficial for schools since they will count with an added value tool that will allow them to adapt their practices towards a more efficient and successful teaching method. Moreover, we will ask education centres for periodical feedback to improve our services, always focusing on the customer's demands. Furthermore, we will be securing a safety treatment of the data supplied by schools as well as an individualized treatment of it. In the long run, after the expansion phase, we intend to create a community that organizes events, competition between members and prizes the students that attempt a maximum effort in their practices. In terms of our indirect client, **students, and parents**, we will keep contact with them through regular emails, social media, and informative events.

2.2.5 Revenue Streams

The development of our platform, Softeo, will require an initial investment of €170,000. The financing channels that we will use to reach that amount would be through share capital, personal investment and the 3Fs. The motive for this investment is to successfully cover the initial costs including the development of the platform and the formalization of data collection. In addition, it supports the viability of the pilot project carried out with five schools, previously explained. The distribution of the contributed capital is divided between:

Table 7: Contributed Capital

| | |
|------------------------------------|---------|
| Founder's Team | €50.000 |
| Family and Friends and Fools (3Fs) | €30.000 |
| Business Angel/ Pre-seed Investors | €90.000 |

Source: Personal Elaboration

The company's income will come through the flows generated by the company's operations, which can be classified into two main sources:

- **Number of soft skills offered:** during the introduction phase, through year one and two, we will be offering three soft skills. The reason for only offering three non-cognitive skills is to further understand the school's demands and market needs hence adapting our platform to these requests. Following, during the expansion phase we will increase the number of non-cognitive skills in our platform from three to six. Taking this into consideration, during the first years the annual price per student will be €31.56 and €47.34 during the expansion phase. We have decided to increase the price per student according to the number of skills offered, therefore this price is subject to changes in the future.
- **Number of schools subscribed to the platform:** the number of schools subscribed is an essential factor in our revenue stream since the more schools the higher the revenues. The first year we will count with 5 pilot schools in the Community of Madrid, the third year we

intend to reach 27 schools by expanding throughout Spain. From there we expect to grow exponentially by making use of the channels previously explained. We expect to become known within the different school associations and orders therefore estimating to have a total of 230 active users in the fifth year.

We calculated the price of our platform by taking into consideration the average expenses that a private school invests in their students. Using data from the *Instituto Nacional de Estadística*, households spend an average of €4,931 per student in secondary school, from those €4,931, 6.4% (€315.58) belong to teaching support and reinforcement classes (2020). We concluded that our start-up falls into this category, therefore, we estimated that during the first two years Softeo will be equivalent to a 10%, €31.56, of the total expenses inside this category. Starting from year three, Softeo will correspond to a 15% of the total expenses from teaching and reinforcement classes because the number of soft skills will increase from three to six, this will be a total of €47.34 annually per student. The following table summarizes the revenues per month Softeo will earn during the first five years.

Table 8: Summary of Revenues Streams

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---------|---------|---------|---------|---------|
| N° of Soft Skills | 3 | 3 | 6 | 6 | 6 |
| % belonging to teaching support and reinforcement classes | 10% | 10% | 15% | 15% | 15% |
| Average annual cost for schools per student | € 31.56 | € 31.56 | € 47.34 | € 47.34 | € 47.34 |
| % of annual cost for schools per student | 0.64% | 0.64% | 0.96% | 0.96% | 0.96% |
| Average monthly cost for schools per student | € 3.16 | € 3.16 | € 4.73 | € 4.73 | € 4.73 |

Source: Personal Elaboration

Therefore, during the introduction phase we will have total annual revenues of €18,442 and €36,896 respectively, taking into consideration that we will be offering a four-month trial period. During the expansion period we will reach a total of €1,274,857 in year five. The following information is summarized in Table 9 below.

Table 9: Total Revenues

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------|-------------|-------------|--------------|--------------|----------------|
| Annual price per student | € 31.56 | € 31.56 | € 47.34 | € 47.34 | € 47.34 |
| Monthly revenues | € 1,844.80 | € 3,689.60 | € 14,666.18 | € 41,798.61 | € 127,485.77 |
| Annual revenues | € 18,448.02 | € 36,896.05 | € 146,661.80 | € 417,986.12 | € 1,274,857.67 |

Source: Personal Elaboration

2.2.6 Key Resources

This section of the BMC comprises all the necessary assets for the successful development of the economic activity of the start-up. We can distinguish the resources by dividing them in four different categories: human, physical, intellectual, and economical.

In the case of Softeo, our most important asset is the platform. This falls into the **intellectual** resources category since we will be counting with a patent to secure the uniqueness of our product. Moreover, our brand name is also a key resource. Lastly, we will be creating a Limited Society that will also be part of our intellectual property since it will protect our domain and brand.

Following, the **human** resources are undoubtedly the most indispensable assets. In the case of Softeo, the team is currently made up of the four founding members: Gonzalo Arribas, Miriam Cohen and Elena Gómez-Villalba. The founding members are experts in the business development of the company. In addition, Softeo will count with a developer that will device our platform from scratch and will continue working with us to constantly update the software. Moreover, we will need a specialized psychopedagogue, working hand in hand with the developer, to properly define the variables that affect each soft skill and design the tests. Furthermore, we will need a web page designer to effectively build our web page and a legal advisor to properly manage the data supplied by the schools.

The **physical** asset necessary to develop the economic activity involve first, computers to carry out the development of the software. In addition, it is essential to count with a strong and secure cloud storage in order to protect the data supplied and storage all the information. Lastly, we will need servers and hardware to carry out the day-to-day activities.

Finally, the **economic** assets include the investments that the founders, 3Fs and business angel will make in our company as well as the possible bank loans we will have.

2.2.7 Key Activities

This section encompasses the most important actions that a company must perform to make the business model work. To develop our platform, it is necessary to carry out certain activities to engineer Softeo and to captivate our customer segments (Strategyzer, 2019). In terms of the necessary activities to develop our product, we will differentiate between front-end and back-end activities.

To start with the **back end** actions, the first activity we need to perform is the successful development of the software. To do so, it is essential for the psychopedagogue and the developer to work together to create the tests and program the platform. The tests and questionnaires will

have to be formalized, also, the software will have to be patented to ensure the uniqueness of the product. Moreover, we would need legal advice to understand the privacy and data policy. In addition, we will need to constitute the Limited Society to legally be registered in the chamber of commerce.

In the case of **front-end** activities, we will be considering the actions that require an external design of our product. First, we will need to hire a web page designer to configurate the platform in a friendly user manner. Furthermore, we will need to design our social media profiles and accounts.

Lastly, after carrying out the front-end and back-end activities, the following step will be to attract customers. We will first be reaching our direct client, school, through direct communication channels such as direct contacts and networking, as well as the channels previously explained.

2.2.8 Key Partnerships

This segment of the BMC explains the possible partners and suppliers that will be necessary for the successful development of the start-up. These partnerships are essential to optimize the processes, reduce possible risk and acquire resources (Strategyzer, 2019). In the case of Softeo, we are focusing on the partnerships that will be necessary in the medium and long term as well as distinguish between suppliers and strategic alliances.

Suppliers are the entities that provide a service for the start-up. We will first need to work with a cloud computing company. We decided that Amazon Web Services (AWS) would be a perfect fit for Softeo since they have the largest community of customers and partners, implying its reliability, it is the most secure, which is essential for the treatment of data and it had proven operational expertise (AWS, 2021). Taking in consideration that AWS is built as the most secure cloud computing platform, working with banks, the military and other high-sensitivity organizations, it won't be necessary to partner with cybersecurity companies. In addition, we

believe that we will need to partner with companies that supply courses and educational classes regarding soft skills. The online platform Udemy will be a good fit since they are an online course provider that counts with several courses that can be useful both for teachers and students.

In the case of **strategic alliances**, we will discuss the entities that can maintain a unique relationship, outside of purely economic benefits with Softeo. We distinguished that the most important factor for Softeo, once we reach the medium and/or long term of the start-up's trajectory, is the creation of a community. First, we distinguished possible corporate companies that aim to measure, evaluate, or teach soft skills. The company Pymetrics would be a perfect fit since it is a firm used by many enterprises to find the perfect candidate taking into consideration the necessary soft skills the market and the company demands. We believe that partnering with this company will be essential to keep up with the market necessities and demands, hence adapt our platform to these new market updates. Moreover, associating with universities that aim to encourage the development of non-cognitive skills will also be an essential strategy for Softeo's expansion. In the long term we intend to partner with universities to encourage this education. Universidad Pontificia Comillas will be the beginning of these alliances since we will have easy accessibility to reach out to the administration. Lastly, partnering with possible competitors outside of Europe would aid us in reaching a higher number of customers and become leaders in the industry. The company Skilio, in Asia, would be a strategic alliance since they are also focused on the development of soft skills in schools.

2.2.9 Cost Structure

This section of the BMC distinguishes the costs that the company will have to incur to successfully operate the business model of the start-up. We identified two types of costs: operational and non-operational.

Within the **operational costs** we can distinguish the costs that are related to the day-to-day operation and running of the business. In the case of Softeo, this would include the maintenance of the platform, direct labour (IT and psychopedagogue), and the monthly cost of AWS. These

costs will proportionally increase in relation to the number of clients we have, the first year we will count with a total of €40,200 in operational costs, however the during year 5 we will have €140,400 of expenses in operational costs (Annex 2). The reason for boost involves the increase in the number of employees that are part of the direct labour, the increase in cloud computing capacity and the continuous update and maintenance of Softeo's platform, always taking in consideration customer's demands. However, these costs will be covered by the revenues generated by the company.

In the case of **non-operational costs**, marketing costs, SG&A costs and R&D costs are included. These costs will also increase in relation to the number of schools that we have since the investment in marketing, for example, will be higher when targeting a higher number of customers. Another factor that affects are the salaries since we start by having a very small team during the first year and end with ten employees the fifth. Therefore, the first year we will have a total of 5,570 Euros in indirect costs, however, the fifth year the number hikes to €273,802.20 (Annex 2).

3. Analysis of the External Environment

After presenting Softeo's Business Model Canvas, the next step will be to evaluate the environment in which we intend to introduce our business. To do so, we will first explain the importance and relevance of soft skills and how they are lacking in today's education. Second, we will be conducting a PEST analysis to understand the macro environment in which we aim to start our business. Third, a Porter analysis to assess the EdTech industry in Spain. Lastly, we will study the market demand of our business by probing the results of a survey and interviews.

3.1 Soft Skills and their Importance

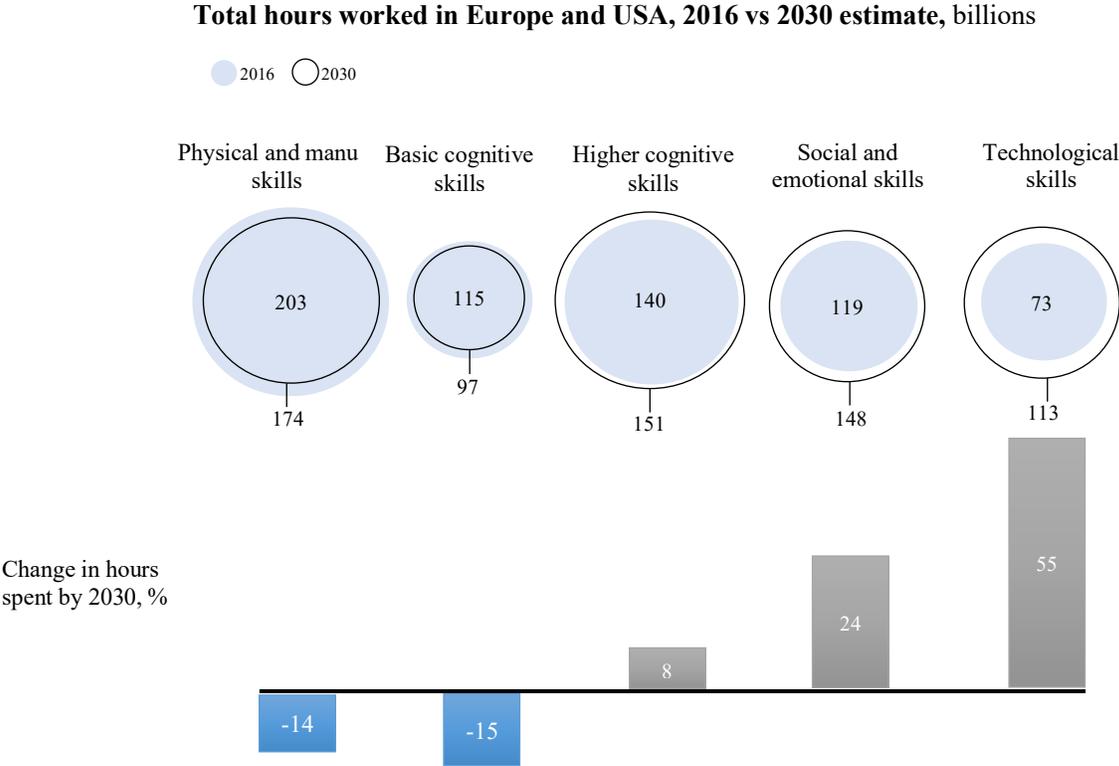
The Oxford Dictionary defines soft skills as the “personal qualities that enable you to communicate with other people” (Oxford, n.d.). Although this definition is correct, it truly doesn't represent the importance of soft skills in today's fast changing future. Soft skills are non-cognitive

skills that allow someone to interact efficiently with others, they are essential in the development of organizations and people's daily life, and they can have a crucial impact on an individual's mindset, behaviour, attitude, as well as the culture he is surrounded by. According to some members of McKinsey & Company, these skills are classified in the categories of communication and negotiation skills, interpersonal skills and emotional intelligence, entrepreneurship and innovative skills, leadership skills, adaptability and learning agility and teaching skills (Avrane-Chopard, Potter, & Muhlmann, 2019).

The study and learning of these skills have become very relevant in the fast-changing future individuals are being faced with. Throughout the past years, there have been continuous technological advances including the introduction virtual reality and the 5G network. However, with the adoption of new technologies such as artificial intelligence (AI) and automation, the skill mismatch between the skills required for a job and the ones an employee possesses as well as the demand for new abilities has increased significantly. Moreover, with the Covid-19 pandemic, these advances have accelerated at a larger pace hence widening the skill gap and calling for a reskilling (Bughin, et al., 2018).

In addition, as reported by McKinsey & Company "social emotional and technological skills are becoming more crucial as intelligent machines take over more physical, repetitive and basic cognitive tasks" (McKinsey & Company, 2019). Moreover, the study explains how Human Resources professionals have stated that they find very difficult to recruit the right candidates with the required soft skills for a fast-changing future based on automating and AI.

Figure 6: Automation and AI will accelerate the shift in skills that the workforce needs



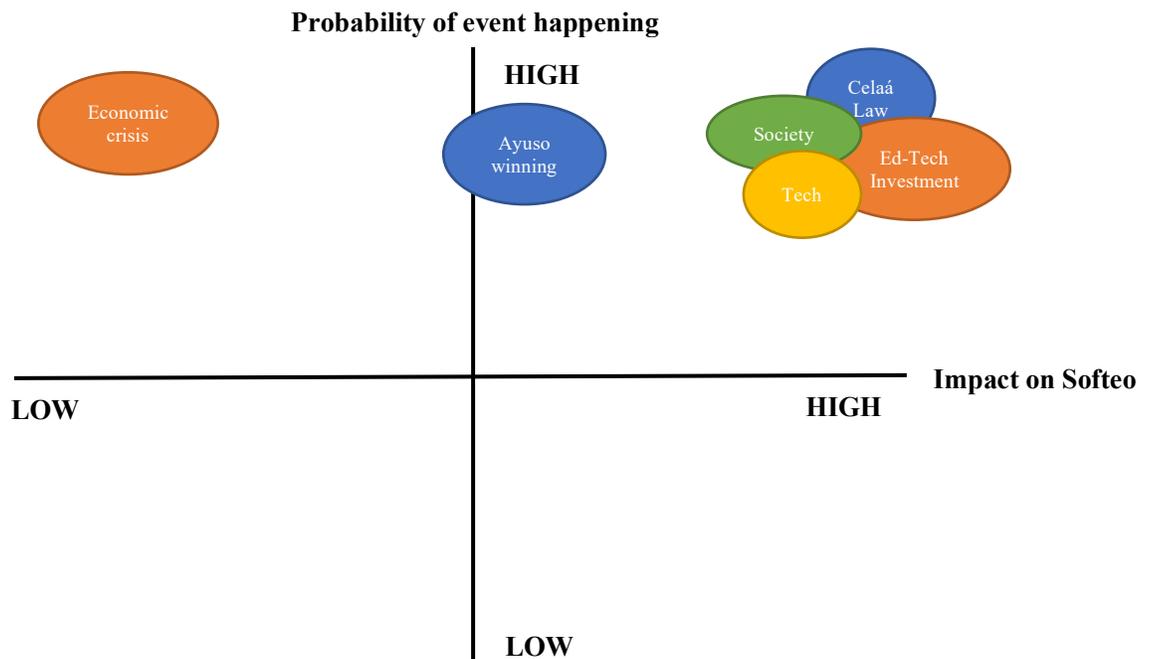
Source: Personal Elaboration from McKinsey Global Institute Workforce Skills Model.

As explained above, there is a gap between the skills a job demands and the skills an actual individual possesses, Figure 6 illustrates how the hours spent on social and emotional skills will increase by 24% during the following years. In relation to Softeo, these changes and advances bring an opportunity for the launching and development of the company. The startup aims to tackle this problem from the source, Softeo is encouraging schools to eliminate this skill mismatch and to reduce the lack of education on soft skills in school centres. Moreover, the ending goal is to motivate students to become self-aware of their performance on soft skills through technology and prepare them for the uncertain future they will be presented with. Lastly, Softeo aims to work towards the implementation of these skills in the daily life of the student, introducing a holistic curriculum based on cognitive and non-cognitive skills.

3.2 Analysis of the external environment: PEST

A PEST analysis is a management tool introduced by Harvard professor Francis J. Aguilar to comprehend the possible macro components that can have an overall impact on a business. As the acronym explains, the study examines the influence of the political, economic, social, and technological factors. By carrying out a PEST analysis, we will be able to further understand the risk and opportunities to take into consideration when setting a strategy and making changes in our startup. Hence, it will help us take advantage of favourable circumstances, overcome weaknesses, and learn where to prioritize to successfully develop our business and stay ahead of possible competitors (Kenton, 2020). To give illustration of the PEST analysis, the following matrix was developed. The matrix elucidates and measures the potential factors will impact our business. The matrix distinguishes between the probability of the event really happening and degree of impact on our business. The blue bubbles represent the political factors, the orange the economic factors, the green the social factors and the yellow the technological.

Figure 7: PEST Matrix



Source: Personal Elaboration

3.2.1. Political Factors

The political section of the PEST Analysis explains how various government policies can have an unyielding impact on the overall economy, the industry, and in our particular business (Kenton, 2020). As explained in the previous section, Softeo Business Model Canvas, we are launching an EdTech startup in Madrid, hence, we have identified two distinctive political factors that could potentially influence the development of Softeo.

The first political factor that we should take into consideration, since we are launching Softeo in the Community of Madrid, is the upcoming elections on May 4th, 2021 for president of the city. The region is currently governed by Isabel Díaz Ayuso, also deputy and spokeswoman of the *Partido Popular* (PP) in the city. The political party is considered to follow a centre-right ideology (Partido Popular, 2019). Ayuso, recently called for elections to avoid a possible motion of censure that would have terminated her position as president of the Community of Madrid. Along with this, the leader of the left-wing party *Unidas Podemos*, Pablo Iglesias, recently decided to forsake his vice-presidency of Spain to run as a potential candidate for president of the Community of Madrid (I.M, 2021). This election could be crucial in the burgeoning of our startup because since each political party has a very disparate ideology regarding the private sector of education. In the case of the *Partido Popular*, they support the freedom of choice in education and have always been advocates of charter education (Partido Popular, 2019). On the other hand, *Unidas Podemos* view on private education isn't positive, the party believes in a fully public and 100% free education for the country (Trula, 2019). Hence, an *Unidas Podemos* government could be a potential threat for our business in the future, since they could destroy our main client, private schools, as well as our potential client, charter schools.

Figure 7 illustrates the probability of having an *Unidas Podemos* government and the impact on Softeo. Pablo Iglesias' chances of becoming president of the Community of Madrid are medium-high. According to recent polls conducted by ABC's newspaper, Ayuso would win the elections, but she wouldn't reach the absolute majority needed to govern, she would need support from other political parties. On the other hand, Pablo Iglesias would be very far from the absolute majority, however with the support of other parties, he could also find a way to become president

of the region (I.M, 2021). In addition, the repercussions on our business would be high, since an *Unidas Podemos* government could eliminate charter schools and damage the freedom of private centres.

The second political factor that was identified is the recently approved education law, LOMLOE, colloquially known as Celaá Law. This is a modified version of the previous education law, LOMCE, and it plans to change many aspects of it, for example, it eliminates Spanish as the official language in education and it discards single-sex education. In the aspect of Softeo, the most consequential effect of the new Celaá Law would be the complete dismissal of chartered education (Stegmann, 2020). Figure 7 illustrates that the probability of this event happening is very high, since this law was already approved in December 2020. What's more, the impact on our startup would also be high as the law complete eliminates one of our potential clients, charter schools.

3.2.2. Economic Factors

The economic portion of the PEST analysis takes into consideration the macroeconomic variables that can have influence over the willingness and ability to consume. These involve interest rates, exchange rates, consumer confidence, disposable income, inflation, and recession (Kenton, 2020). To analyse this section of the PEST, we first considered the overall macroeconomic situation in Spain by studying some of the key economic indicators and scrutinized the impact on Softeo. The indicators taken into consideration are first, the GDP which measures the market value of all the goods and services fabricated in a country (Fernando, 2020) and the consumer confidence indicator that evaluates the consumer's view concerning the expected financial situation (Ganti, 2020). Following, we are foreseeing the impact of the macroeconomic situation in Spain on the level of investment for start-ups in the country.

To start with, the health crisis derived by the virus Covid-19 negatively affected Spain's economic situation. The GDP slumped by 11%, a historic drop in Spain, with this setback, the economy breaks with six years of growth. Moreover, since the Spanish GDP has been negative for more than two consecutive quarters, Spain is considered to be suffering an economic recession

hence leading to falling incomes, lower consumption and job cuts (elEconomista.es, 2021). However, the European Central Bank predicts that by the end of 2021 the increase in GDP will reach 6%, this depends on how Spain reaches immunity with the vaccination process during the year (Viaña, 2021). Moreover, the consumer confidence indicator, CCI, for February 2021 was 65.9, meaning that consumers are pessimistic towards the economic future of country leading to an increase in savings and a decline in consumption.

By looking at Figure 7 we can analyse how the economic crisis will affect our business. As explained, the probability of this event happen is very high, since there is proof that Spain is already going through a recession. Despite of this, this factor won't potentially influence Softeo since our main client is private schools and they are not impacted by possible education financing cuts the government might be arranging. Moreover, as previously explained, our product is B2B meaning that the CCI shouldn't harm our business. However, for Softeo's future we intend to include public schools within our client's base and if the ECB is wrong about their predictions on GDP growth, this could impact our business growth.

Lastly, since Spain is going through an economic recession, it is pertinent to evaluate the repercussions that this event can have in the level of investment on start-ups. As *Fundación Innovación Bankinter* explains in their report, the investment activity was maintained through 2020, with an increase in growth by 36% compared to last year. In addition, the investment activity in pre seed and seed start-ups have significantly increase from 2019 to 2020. Furthermore, there has been industries that have been benefited by the crisis and will continue to increase, these include Health, Cybersecurity and Education (Fundación Innovación Bankinter, 2020).

The impact that this news can have in the development of our startup is illustrated in Figure 7. The probability of this event occurring is very high, since there is proof that there was an increase in investment in 2020 compared to last year. Moreover, as the report mentions, 2021 should be a better year. Hence, the overall impact on Softeo is very positive, as explained above there has been an increase in investment in start-ups inside the industry of education, our business falls in that category. Lastly, there has been an increase in Series A funding, which means that there is a better probability of investment for Softeo (Fundación Innovación Bankinter, 2020).

3.2.3. Social Factors

In regard to the social factors, the PEST analysis takes into consideration the demographics, age distribution, workplace and lifestyle trends and cultural attitudes of a country (Kenton, 2020). Concerning Softeo, it is essential to examine the shift in some cultural attitudes that emerged because of Covid-19. Apart from political, health and economic changes, the world has observed a change in how people behave in their daily life, education, and the workplace. The main factor that might impact the development of the startup involves the possible effects of the current pandemic of Covid-19 in the area of mental health and hence student's motivations.

The Covid-19 pandemic has completely changed how our society functions. One of the main consequences of the virus, has been an increase in psychological stress. Among other effects, there has been a constant concern about family members and friends, the widespread social isolation, and the endless feeling of uncertainty. Moreover, the level of anxiety and depression has also escalated, especially in children and adolescents, who are used to constantly going out (Tallarda, 2020). A survey conducted by Cambridge University Press illustrates how online classes have decreased motivation in students and keeping it up was one of the top three challenges (Krüseemann, 2020). As illustrated in Figure 7, this can have repercussion on Softeo because schools are looking for different ways of motivating their students and our platform could potentially be a solution.

3.2.4 Technological Factors

The technological component of the PEST analysis contemplates advances, trends, changes, and spending in technology that can impact our startup or processes (Kenton, 2020). In the case of Softeo, the main technological factor that will influence the development of the startup is the advances and shifts in the sector of EdTech caused by the coronavirus crisis.

The Covid-19 pandemic forced many modifications in society and countless transformations in the way it functions. One of the most significant changes involves the isolation measures taken to decelerate the spread of the virus. This action affected more than nine million students in the country, both in school and university (González, 2020). The isolation measure forced students to shift from regularly attending school and university to online classes at home. This has brought an opportunity for the development of new start-ups in the region, the EdTech sector has become essential during the crisis, and it is reflected in the level of investment of these innovative start-ups. The common aim of many of these new businesses involve reducing the repetitive tasks professors have, promoting personalized education and encouraging collaborative learning (Aguiar, 2020).

The level of investment in EdTech in Spain has increased significantly. According to *Fundación Innovación Bankinter*, the Edtech industry has increased by +156.9% during the pandemic (2020). Moreover, in an article from Business Insider Darío Villena, manager from Swanlaab Venture Factory, reflected on how Spain will become world leader in the EdTech industry if it keeps this pace (Aguiar, 2020).

As illustrated in Figure 7, this will have a significant impact on the startup establishing a great opportunity for the development and launch of Softeo. First, as previously explained, schools are seeking a personalized education where each student can identify their own abilities and improve them at their own pace. Softeo focuses on encouraging a personalized education of soft skills through a technological platform. In addition, the demand for this type of start-ups has considerably grown during the past years. Lastly, the level of investment in this industry has also escalated, suggesting that finding possible investors for our startup shouldn't become a hard task.

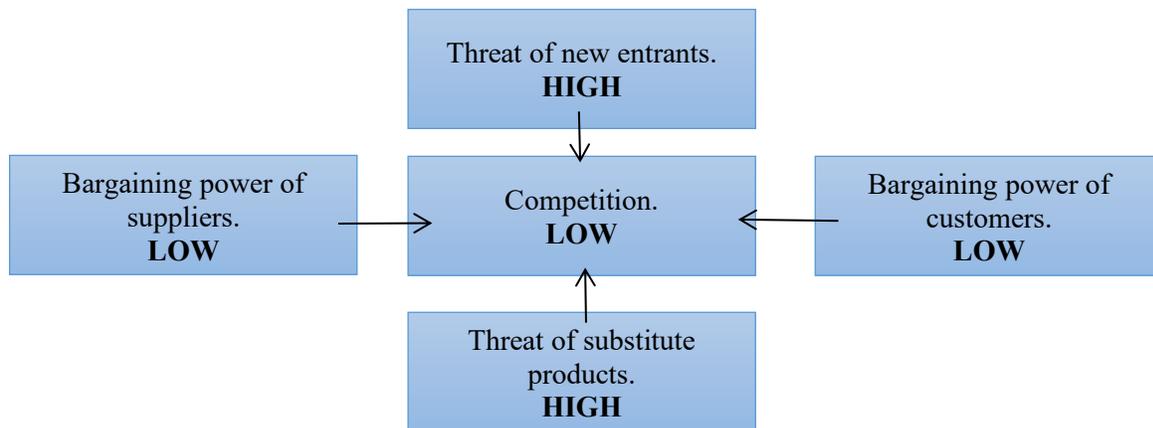
3.3 Industry Analysis: Porter

Porter's five forces will allow us to understand the market in which Softeo will operate. This analysis tool will aid us to comprehend the level of competition within the industry in order to determine the attractiveness of the market. As Porter himself explained, the root of strategy

creation for a company is learning and understanding how to handle competition. Moreover, Porter explained that the level of competition depends on five basic forces: competition in the industry, threat of new entrants, bargaining power of suppliers, threat of substitute products and bargaining power of customers. The strength of these five forces together, being high and/or low, will define the potential profit of a company within an industry (Porter, 1979).

To carry out a successful industry analysis it is essential to briefly define the market in which Softeo operates. The start-up belongs to the EdTech group since it focuses on the evaluation and measurement of soft skills in secondary schools. According to *Fundación Innovación Bankinter*, the VC opportunity for this market is of \$227Bn and it is estimated to reach a total of \$404Bn n 2025 (2020). This sector has seen a tremendous growth mainly due to the reorientation of EdTech platforms as a complementary tool, increased demand of personalization methods and the Covid-19 pandemic.

Figure 8: Porter's five forces



Source: Personal Elaboration

3.3.1 Threat of new entrants

This section analyses the possible new company entrants within the industry. These new entrants can be a threat since they have a desire to gain market share, can bring new resources, as

well as new capacity that customers desire (Porter, 1979). They are dependent on the barriers to entry, in the case of Softeo, we have concluded that the risk of new entrants is high. However, the barriers to entry we have found include investment in R&D, differentiation, and the initial investment on the platform.

First, as for the economies of scale, Softeo would find these scales in the constant investment in R&D. To start, the creation of the platform is carried out through the combined work of a developer and a psychopedagogue, this requires a high level of investment. This can be considered as an advantage since new competitors entering the market would have to compete with an already developed patented platform that counts with all the necessary characteristics customer's demand.

Second, the initial investment to develop a platform with comparable characteristics is very high. The investment in software development, patents and the psychopedagogue for questionnaire creation can be considered a barrier to entry.

Lastly, product differentiation is another barrier to entry. To this day there aren't any products that consist of the exact same characteristics than Softeo. However, the platform BeChallenge, based in Spain, focuses on **enhancing** soft skills through their specific teaching style (BeChallenge, 2019). On the other hand, Softeo is a platform as a service that **identifies, evaluates, measures, and quantifies** the soft skills in an objective manner. Our company doesn't suggest new teaching models as BeChallenge does. Softeo adapts to the teaching methodology of the centre, the educational plan and system. Our software is a non-cognitive skill evaluation system that supplements daily school activities and projects through a feedback system, established questionnaires and learning analytics. Moreover, the company Skilio based in Singapore, counts with a similar product. However, they only operate in Singapore and Softeo is differentiated in the mission and vision, go to market strategy and commercial strategy. Therefore, we can conclude there is a potential risk since there are other companies that operate within the industry. However, the solution is to create high fences around this industry by investing in R&D, innovating, and differentiating.

3.3.2 Bargaining power of suppliers

Suppliers can have the ability to employ bargaining power by raising prices if there aren't substitutes or by reducing the quality of their products (Porter, 1979). In the case of Softeo, suppliers are found in companies that provide computer equipment and cloud services for data storage. Hence the bargaining power of supplier for Softeo can be considered to be low.

As I mentioned before, our main supplier of cloud services will be Amazon Web Services (AWS). However, there are other companies that supply cloud storage, such as, IBM, Google, or Microsoft. Therefore, the bargaining power of Softeo's suppliers is quite low since there are no switching costs between the suppliers and there is hardly any differentiation between the products.

3.3.3 Bargaining power of customers

This subdivision of the Porter analysis explains the level of pressure that customers can employ in order to reach lower prices and increase the quality of a product, all at the expense of industry profits (Porter, 1979). In the case of Softeo, the bargaining power of customers is low due to two main reasons:

The first motive includes the uniqueness of the product. Up to this day there aren't any products or services that include the same characteristics Softeo has. However, as explained above, there are companies that operate within the same industry and have similar traits than Softeo. Therefore, there is a risk that involves our competitors horizontally or vertically integrating hence increasing the bargaining power of customers. It is essential to work on product differentiation and innovation, update customer preferences, acquire patents and make strategic decisions to ensure a higher risk of bargaining power.

Another factor that is key in reducing the bargaining power of customers is price sensitivity. Educations centres are very meticulous with prices especially because they have not used or tried a platform like this before and won't be sure if it successfully works with the students

and parents. Therefore, we will be offering a freemium subscription to allow schools to test the platform before deciding to use it.

3.3.4 Threat of substitute products

Following, this section of the Porter analysis explains the difficulty or easiness for substitute products to appear in the industry. A substitute product can be defined as good that has similar characteristics or functions identically to another product (Porter, 1979). This risk can be reduced by enhancing innovation, improving differentiation and by making use of successful marketing and commercialization strategies.

As previously explained, there aren't any products or services that share mission, vision and aims with Softeo. However, there are companies that operate within this industry in Spain that can decide to adapt their services to the market necessities and provide a product similar to Softeo. The start-up identifies, evaluates, measures, and quantifies the soft skills in an objective manner, and there aren't any companies in Spain that offer this service. On the other hand, the EdTech investment opportunity in Spain is continuously significantly increasing which gives the opportunity for new companies to innovate and develop new applications or platforms. We can conclude that at this moment, Softeo is a unique platform that is differentiated by its services and software.

There is another factor that can affect the threat of new possible substitutes. The market demand for soft skills is rapidly increasing (McKinsey & Company, 2019), therefore education centres might decide to implement these services without the use of any outside entity. However, schools do not count with the technology or software to measure these skills, in addition, the initial investment for the creation of a platform like Softeo is very high. Therefore, this can be considered a threat for the long term, but it is essential to take it into consideration.

3.3.5 Competition

In this industry there are no direct competitors, which gives us the possibility of obtaining a large market share before this market expands.

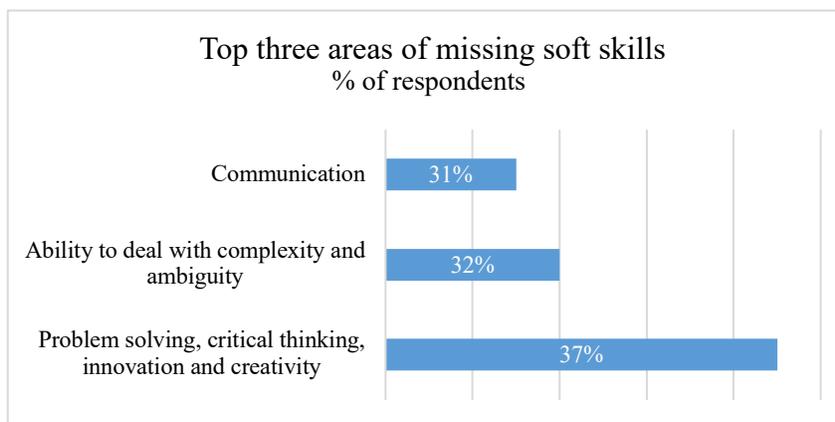
However, there are companies that are currently working in the development of soft skills in education centres such as BeChallenge. In addition, these types of platforms are popular in other geographical areas such as Asia and America (McKinsey & Company, 2019). However, taking this into consideration, we haven't found a company that supplies the exact same services than Softeo. We need to be careful about similar companies operating in other areas since they might decide to expand to Europe. Nevertheless, this doesn't seem to be a high risk for Softeo's operations since the Spanish market is not educated about these types of companies.

In short, the most important key points that differentiate Softeo from the competition are: The supply of user-friendly reports, the freemium subscription to the platform, the easy accessibility to the platform for all the members that interact within the student's education, and the possibility of comparing results with other schools.

3.4 Analysis of the Market Demand

There is evidence that the demand of non-cognitive skills has increased together with technological advances, as well as with the covid-19 pandemic, which has significantly accelerated this phenomenon. A report by McKinsey & Company illustrates the top three areas of missing soft skills in the workplace: the first one being problem solving, critical thinking, innovation, and creativity; the second area involved the ability to deal with complexity and ambiguity; and the last communication. This study has also reported that HR departments have problems recruiting the right candidates with the right soft skills (McKinsey & Company, 2019).

Figure 9: Top Three Areas of Missing Soft Skills



Source: Personal Elaboration from McKinsey Quarterly Data

In addition, it is also important to consider the demand of soft skills in today's market in Spain. An article from *Fundación Telefonica* illustrates how according to the *Informe de la Sociedad Digital en España 2019*, 80% of company leaders believe that soft skills are becoming more relevant every day. The same report identifies the ten most wanted soft skills in the workplace. The first non-cognitive ability they distinguish is flexibility and adaptability, in particular, the aptitude of being flexible in situations of constant change and uncertainty, especially after the coronavirus crisis. The second skill they describe as essential is emotional intelligence, the article highlights the importance of understanding and effectively managing emotions, both personal and interpersonal, active listening and empathy. Third, critical thinking is also described as a crucial skill, defined as learning how to reflect on different scenarios or data, question models and understand different points of view. The other soft skills that are considered a requisite are assertiveness, teamwork, creativity, learnability, problem resolution and proactivity. Furthermore, Monstserrat Gomedio, director of OECD centre for skills, explains in this article how these competencies need to be introduced in the education system in order to develop a better curriculum based on learning and evaluation (Fundación Telefonica, 2020).

Moreover, OECD's report on new skills for 2030 also highlights the importance of including an education on social and emotional skills. The report explains how the technological

advances will require more training on hard skills based on the development on AI and automation. Additionally, it argues how some of these improvements will also result in the eradication of some jobs. Nevertheless, the OECD report emphasizes how jobs that involve the use of social and emotional skills will not be eliminated by technology, it states: *“AI is unlikely to replace workers whose jobs require creativity; similarly, AI is unlikely to replace workers who jobs require complex social interactions. Thus, in order to adapt to advances in technology, workers will also have to acquire social skills, including persuasion and negotiation”* (OECD, 2020). Hence proving that incorporating the importance and evaluation of these soft skills in the education curriculum is essential. Equally important, the statement also highlights the increase in demand for soft skills directly related to the demographic and societal changes. Skills such as empathy, self-awareness, the ability to communicate and emotional intelligence will become more essential as workplaces and classrooms become more diverse (OECD, 2020).

Lastly, in order to validate our product and hypothesis regarding non-cognitive skills, we conducted a survey through schools and our social media, available in Annex 1, to better understand the market demand for a product like Softeo. The survey consisted of seven questions, including a demographical question to distinguish the respondents and six questions regarding the actual product Softeo and the lack of soft skills in education. We were able to collect 211 answers and as a result consolidate conclusions.

Taking a deeper look into the results of the survey, Question 2 evaluated if individuals thought there was a problem regarding graduates’ soft skills and soft skills demanded by companies. To this question, 87.20% of the respondents believed that there is an actual problem. Hence, Softeo could become a potential solution to this problem, analysing and evaluating the soft skills in Secondary School. Moreover, by examining Table 10 below we can assess the results from Question 3, where we asked which four soft skills were lacking the most when finishing education.

Table 10: Results of Question 3 of the Survey (Annex 1)

| Answer Choices | Responses |
|----------------|-----------|
|----------------|-----------|

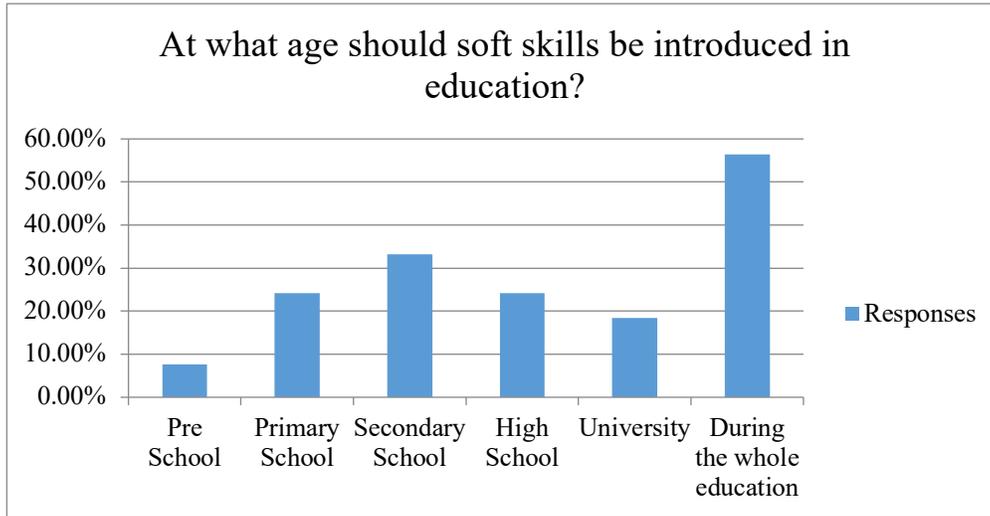
| | |
|-----------------------------|---------------|
| Leadership | 38.22% |
| Teamwork | 24.61% |
| Emotional Intelligence | 39.79% |
| Ability to Communicate | 37.17% |
| Critical Thinking | 47.12% |
| Adaptability and Resilience | 34.03% |
| Problem Solving | 43.98% |
| Innovation and Creativity | 19.90% |
| Motivation and Ambition | 29.84% |
| Presentations | 24.61% |
| Negotiation Skills | 46.07% |

Source: Personal Elaboration

The results show that critical thinking was the most demanded skill, with a score of 47.12% following with negotiation skills (46.07%) and problem solving (43.98%). Taking these results into consideration, we decided to focus our product during the launching period on these three non-cognitive skills. In addition, the following years, we introduced emotional intelligence (39.79%), leadership (38.22%) and the ability to communicate (37.17%). Hence, the survey proves the results of the report of top three areas of missing soft skills from McKinsey & Company explained above.

Following, by observing Figure 10 we can evaluate the answers to Question 4: At what age should soft skills be introduced in education? The majority of the respondents (56.40%) believe that these skills should be taught and taken into consideration during the whole education period. Our main idea for Softeo was to introduce the product throughout the whole education period, but after researching about the cost and time consumption we realized this wasn't possible during the first years. Hence, we decided to focus on the second most demanded age group, Secondary School, with a score of 33.18%.

Figure 10: Results of Question 4 of the Survey (Annex 1)



Source: Personal Elaboration

Lastly in Question 5, 6 and 7 we tested the validation of Softeo. First, Question 5 asked how you think these abilities could be improved in order to understand what individuals demanded, some of the answers were: “integrating in schools, as a complement, specific programs to develop these competences”, “raising awareness and training them in a transversal way in all subjects” and “encouraging learning skills with methods that are updated to the time”. Therefore, we can conclude that there is demand for a platform that can raise awareness and be integrated within the school subjects to evaluate soft skills in education. Furthermore, Question 6 evaluated if schools had a method to evaluate soft skills, 81.52% of the respondents validated that they didn’t have any means for measuring these skills, hence proving the skill gap we previously described. To end the survey, Question 7 directly asked if respondents would be interested in a platform like Softeo, that measures and evaluates soft skills, 89.57% answered that they would be interested in it. Thereupon, we can conclude that there is a relevant market demand for a product like Softeo.

4. SWOT Analysis

A SWOT analysis is a tool that studies a company’s strengths, weaknesses, opportunities, and threats (Schooley, 2019). After defining Softeo’s business model, analysing its external and

internal environment we can conclude the company’s SWOT analysis to later define a marketing, organizational and financial plan. The following table summarizes Softeo’s SWOT analysis.

Table 11: Softeo’s SWOT Analysis

| | <u>Positive</u> | <u>Negative</u> |
|-----------------|--|---|
| <u>Internal</u> | Strengths <ul style="list-style-type: none"> - Use of EdTech technology – creating a competitive advantage in schools. - Unique service in Spain. | Weaknesses <ul style="list-style-type: none"> - Inexperience in the industry/sector. - Dependence on our indirect customers (students). |
| <u>External</u> | Opportunities <ul style="list-style-type: none"> - Constant investment in R&D to adapt to market and school necessities. | Threats <ul style="list-style-type: none"> - In-house production of this service (schools developing their own platform). - Response from our competitors. |

Source: Personal Elaboration

Strengths

We have identified two main strengths: the use of EdTech technology that will result in a competitive advantage in schools and the uniqueness of the product in Spain.

As I explained in previous chapters, technology is changing the way education is shaped, especially after the Covid-19 pandemic. Schools are making use of more technological tools and shifting their teaching techniques. In addition, the investment opportunity for new EdTech industries in Spain is very positive. Taking this into consideration, with Softeo we will give private schools an opportunity to differentiate themselves from the competition, providing a technological tool that will identify, evaluate, measure, and quantify non-cognitive skills in secondary students. This will create a competitive advantage in schools since they will be making use of new technology and introducing the importance on soft skills within their education methods.

Following, as it was previously highlighted, this product is unique in Spain, meaning that we are pioneers in offering a product with these characteristics in the country. This is a major strength since we will be able to patent our platform and become experts through time in the development of the service. Through R&D we will adapt to our customer's needs as well as to the market's necessities with the final aim of constantly improving Softeo as a whole.

Weaknesses

The first weakness we have identified is the inexperience of the group members creating Softeo. Elena, Gonzalo, and I are three business administration students that have very little knowledge in developing or programming a software. Therefore, we are forced to hire an external developer in order to successfully develop the platform. Without the programmer, we wouldn't be able to accomplish the objectives previously established.

In addition, another weakness we have recognized is the dependence on our indirect clients, students. Schools will be paying for the service but if students do not make proper use of the platform, education centres won't be willing to pay for the product. To avoid this, it is necessary to carry out informative events as well as have them updated through social media platforms.

Opportunities

In the case of opportunities, we will be constantly investing in Research and Development to further understand the market's needs. For example, after investigating the market's demand for this year we have concluded that the most demanded soft skills are: critical thinking, problem solving and negotiation skills. However, with time and due to circumstances these skills might change. We plan to be ahead of the market's demand and provide an updated version of the platform as soon as it is needed.

Threats

The first threat we might encounter is the in-house production of this service. For example, International Baccalaureate (IB) schools encourage the learning of soft skills through their education plan (Shand, 2018). However, they do not count with a platform that identifies, evaluates, measures, and quantifies the so taught soft skills they intent to enhance through their education methods. Therefore, although this might be a possibility, we believe that the additional work and investment in the development of a platform like this shouldn't be considered as a significant threat.

Lastly, we should be aware of the response from our competitors. As mentioned, there aren't any companies that provide the exact same service as Softeo. However, the platform BeChallenge might decide to horizontally expand and provide a service with similar characteristics. In addition, the company Skilio in Singapore, which provides a similar service than Softeo, might want to expand their services to Europe. We intend to count with an advantage since our strategy involves carrying out informative events and personally speaking with schools.

5. Softeo Operations Plan:

After properly defining the strengths, weaknesses, opportunities, and threats of Softeo we will briefly analyse the marketing plan, organizational structure, and financial plan of the start-up in order to understand the proper functioning of the company.

5.2 Marketing Plan

A successful marketing plan takes into consideration the analysis of the external and internal environment as well as the strengths and weaknesses a company might be encountered with. In the case of Softeo, we will be analysing the company's Marketing Mix.

The Marketing Mix, also known as the 4Ps of Marketing, is an analysis tool used to understand the key factors involved in the marketing strategy of a good or service. In addition, it informs us of everything that we need to do to influence our customer's demand. The goal of the

Marketing Mix is to develop a successful strategy that encourages our clients to buy our product instead of the competition (Twin, 2021).

The 4Ps of Marketing are the following:

- Product
- Price
- Place
- Promotion

In the case of Softeo, we will be defining the product and price strategies since the place and promotion were previously explained in the Business Model Canvas chapter within the subsections of client relationships and channels. In addition, we will briefly explain the Go to Market Strategy since Softeo is a new start-up that will be soon introduced in the market.

Product

The book Principles of Marketing defines the term product as “*anything that can be offered to a market for attention, acquisition, use or consumption. It includes physical objects, services, personalities, place, organizations and ideas*” (Kotler, 1991). In addition, he distinguished three levels within a product: core, actual and augmented.

The **core product** explains the fundamental need, lack of basic requirement, that customers intend to satisfy when using the product (Kotler, 1991). In the case of Softeo, we can define the core benefit for schools as offering a complete curriculum focusing on the development of hard and soft skills that will differentiate them from the competition. Therefore, the essence of the product will be developing a unique competitive advantage for schools.

Following, the **actual product** is defined as the tangible and physical product that we will offer our customers (Kotler, 1991). Softeo is a three-way platform that identifies, measures, evaluates and quantifies soft skills in secondary students. In addition, the platform presents in a

detailed, visual, and user-friendly way the soft skills data for students, teachers, and parents to read.

Lastly, the **augmented product** involves the non-physical part of the product including the added value benefits that the service brings to the customer. This would include the brand, quality transparency and other benefits (Kotler, 1991). In the case of Softeo, the augmented product will be to be part of Softeo’s prestigious community, as well as the individualized treatment of data, the free-trial period, and the connection with the business world.

Pricing Policy

Price is defined as the amount of money customers pay for a product. The purpose of a successful pricing policy involves projecting the company’s value throughout the money paid for the service (Twin, 2021). In the case of Softeo, the monetization model is based on the study of household spending on education, published in the *Instituto Nacional de Estadística* for the 2019-2020 academic year.

The first step will be to identify the annual cost per student of secondary education. our market focuses on private education centres, the following table summarizes the expenditure per type of school:

Table 12: Average Annual Expenditure per Student

| <u>Total Average Annual Cost per Student</u> | Total | Public | Charter | Private |
|---|--------------|---------------|----------------|----------------|
| <u>Secondary School</u> | 778 € | 336 € | 1.078 € | 4.931 € |

Source: Personal Elaboration from INE data

The table shows how the average expenditure per household in private education (€ 4,931) is six times that of public education (€ 778). These numbers illustrate the main reason for Softeo to focus on private educational centres. In addition, the average annual cost per student in private education can be broken down into the following divisions:

Table 13: Average Annual Expenditure per Student Broken Down

| Private student costs broken down | % | Total expenditure |
|--|------|-------------------|
| Enrolment and classes | 65,0 | € 3.205,15 |
| Lunch service | 10,4 | € 512,82 |
| Other complementary services | 7,0 | € 345,17 |
| Extracurricular activities | 7,9 | € 389,55 |
| Teaching support and reinforcement classes | 6,4 | € 315,58 |
| Other formal education services | 3,4 | € 167,65 |

Source: Personal Elaboration from INE data

Softeo’s platform will be complementary to the teaching curriculum of cognitive skills, however, it would not be included in the individual teaching activity of each class. In addition, Softeo is not part of extracurricular activities or other services. Hence, the expenditure applied to the evaluation of non-cognitive skills belongs to the subdivision of teaching support and reinforcement classes, representing a 6.4% of the total average expenditure per private student.

Throughout the market studies Softeo’s team and myself have carried out we have been able to conclude the percentage that the evaluation and measurement of soft skills will represent within the subsection of teaching support and reinforcement classes. This percentage will be affected by the number of soft skills offered within our platform. The following table summarizes the pricing strategy for Softeo.

Table 14: Softeo’s Pricing Strategy

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|---------|---------|---------|---------|---------|
| N° of Soft Skills | 3 | 3 | 6 | 6 | 6 |
| % belonging to teaching support and reinforcement classes | 10% | 10% | 15% | 15% | 15% |
| Average annual cost for schools per student | € 31.56 | € 31.56 | € 47.34 | € 47.34 | € 47.34 |
| % of annual cost for schools per student | 0.64% | 0.64% | 0.96% | 0.96% | 0.96% |
| Average monthly cost for schools per student | € 3.16 | € 3.16 | € 4.73 | € 4.73 | € 4.73 |

Source: Personal Elaboration from INE data

Taking into consideration these variables, we set the price per student each year in relation to the number of soft skills offered. We divided the annual expense by 10 monthly payments for the academic year in order to obtain the average monthly cost per student. Lastly, we compared the annual cost per student of Softeo with the total cost per student of private education per year, which resulted in less 1% every year, making the pricing very attractive for our customers.

Go to Market Strategy

Softeo’s Go to Market Strategy can be divided into three different stages that can be categorized depending on the company’s long-term evolution. The following table summarizes each phase:

Table 15: Softeo’s Go to Market Strategy

| Year | Year 0 20-21 | Year 1 21-22 | Year 2 22-23 | Year 3 23-24 | Year 4 24-25 | Year 5 25-26 |
|--------------------------|---------------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| Stages | Pre seed (birth) | Seed (Local) | | Success (National) | | |
| Geographical area | Madrid | | | Spain | | |

| | | | | | | |
|------------------------------------|---|--|-------|---------|-------|--------|
| N° of soft skills developed | 3 | | | 6 | | |
| N° of clients | - | 5 | 10 | 27 | 76 | 230 |
| N° of students | - | 585 | 1.169 | 3.098 | 8.830 | 26.931 |
| % growth | - | - | 100% | 165% | 185% | 205% |
| Free-trial period | | First school term (Sept-Dec) 4 months | | 1 month | | |

Source: Personal Elaboration

During the first stage of the start-up, **pre-seed**, the objective will be to establish a successful contact with the five different associations and orders. We will be focusing on effectively developing the MVP with three soft skills and offering it to five schools from different associations where we have connections and hence carry out a pilot try-out. As previously explained, we focused on working with 5 schools associations, to start the pilot product we will be working with one school from each association to understand the necessities of each different client. In addition, we selected an all-girls school as well as an all-boys school to analyse the impact soft skills have on different sexes.

Following, during the **seed** stage of the company we will focus on becoming a sustainable company, as well as obtaining brand positioning through the constant emphasis of our mission, vision, and values. During the second year of the start-up, we intend to reach a total of 10 private education centres with secondary school within the Community of Madrid. In addition, after carrying out the pilot product, we will focus on improving our platform and adapting it to every education system provided. We will still focus on the three non-cognitive skills most demanded in the market and improve their variables taking into consideration the first year of use of the platform.

Additionally, during the **success** period comprised between the years three and five, we intend to focus on national expansion towards the rest of Spain. In the fifth year, we plan to reach a total of 230 schools, a 35% of the private schools in Spain that have secondary school (INE, 2020). Moreover, we will increase the number of soft skills offered to six, hence improving our

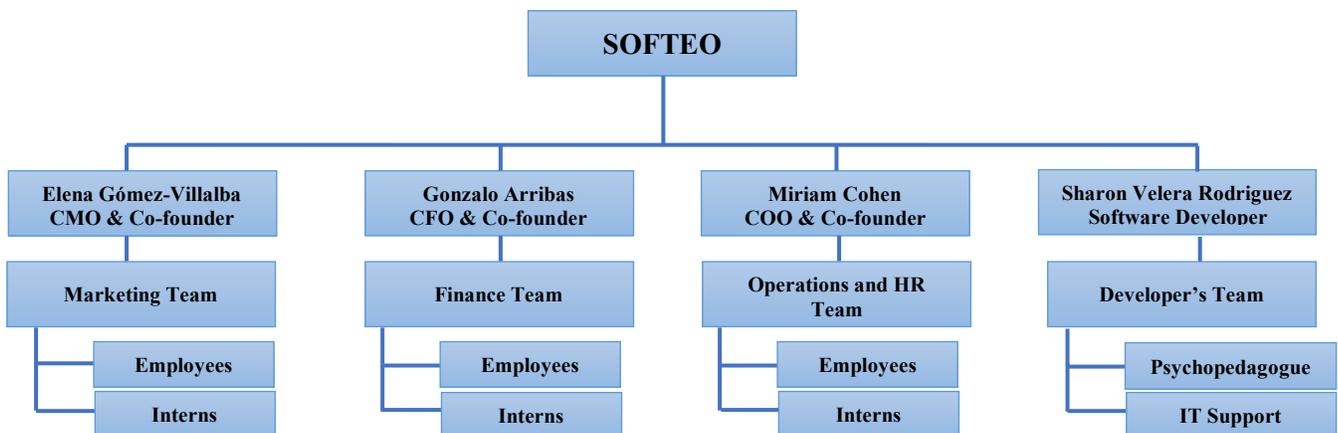
platform and adapting it to the customer’s needs. Furthermore, we will emphasize on the reduction of the customer's conversion period. As a result of the previous inbound marketing strategies and Softeo’s community, during this stage clients will reach to us increasing the annual percentage growth in clients up to 205%. However, the focal point of this phase involves maintaining a loyal relationship with our current customers.

5.3 Organizational Structure

An organizational structure can be defined as the outline by which a company operates to achieve certain goals and to successfully manage business operations. In the case of start-ups and small business a simple, functional, and centralized organizational structure is essential for the correct and fluent functioning of the company throughout the launch period (Martin, 2019).

In the case of Softeo, we decided to have a functional structure which entails grouping employees according to a specialized or similar set of role tasks. This type of structure will be beneficial for the initial years of the company since it will count with specialized employees that will efficiently work within their fields to ensure the best outcome and it will boost productivity levels (Martin, 2019). The following diagram summarizes Softeo’s company structure.

Figure 11: Softeo’s Organizational Structure



Source: Personal Elaboration

As it can be seen in the figure above, Softeo is composed by three Co-Founders that are specialized in different areas. The team is made up of three ADE Bilingual students from Universidad Pontificia Comillas: Elena Gómez-Villalba, Gonzalo Arribas and Miriam Cohen. The team has worked together for four years and counted with the necessary experience to successfully carry out this project. In addition, the three students have had international experiences for a year, which helped us shape an open mind. Moreover, we count with Sharon Velera Rodriguez, an experience developer with experience in the company *Everis*. We have contacted her through LinkedIn since all of us have common contacts with her and she agreed to work with us to develop the software.

The organizational structure of Softeo during the first years of operation will be as simple as possible. The management team is formed by the three founding members of the start-up. Elena Gómez Villalba will be the CMO in charge of Marketing and Sales. However, it is important to mention that in years 4 and 5 we will count with a larger marketing team which will be formed by another full-time employee and an intern. Following, Gonzalo Arribas will be the CFO of the company, as of year 4 he will also count with another employee that will join his department. Next, Miriam Cohen will be in charge of the operations of the start-up. Likewise, starting from year 4, Miriam will count with another employee to divide the workload. Finally, it is essential to highlighting the importance of the Developer's Department. The software developer will be working hand in hand with the psychopedagogue for the correct creation of the platform. In addition, the team will count with and IT Support area to attend possible problems and questions the schools might have during the process of installation and future inquiries.

6. Financial Plan

Objective and projections

Softeo's financial objective is to become a profitable company starting from the third year of operations. Our financial statements (P&L, Balance Sheet and Statement of Cash Flows) confirm that Softeo is a start-up with great growth potential due to our innovative idea involving

EdTech tools and the market in which it operates. Taking this into consideration, and after devising the total costs of our company (Annex 2), our main financial objective is to raise a total capital of €170,000. This will be necessary to successfully execute the development of our platform, ensure its maintenance and carry out the necessary business activities.

Raising a total of €170,000 is essential for the proper functioning of the company. This investment is necessary to maintain a positive cash flow throughout the introduction phase. It can be observed in Annex 2, specifically in the balance sheet, that starting from year 0 there is a positive cash line. This is maintained throughout the five years of operations portrayed in the balance sheet. A positive cash line is essential to achieve short term goals such as salaries expenses, cloud storage, marketing expenses etc. In addition, this investment is also fundamental to cover the asset expenses portrayed in Annex 2.

P&L account

The following table portrays the projections for the Profit and Loss Account of Softeo. It can be observed that, if our predictions are fulfilled, the start-up will generate profits starting from the third year of operations. We will obtain a Net Income of 20,644 euros, which represents 16% of the revenues generated that year. In addition, it is important to mention that the direct costs of the company, being platform maintenance, cloud computing and direct salaries will proportionally increase as the years pass. The costs will rise because the number of clients throughout the years will exponentially increase, which means that we will count with a larger workforce, we will need more storage and a higher level of maintenance. Furthermore, it can also be observed that the marketing costs will also be higher as years pass. We intend to improve our marketing campaigns and aims, requiring a greater investment.

In addition, Table 16 illustrates the exponential income growth from each year. We have concluded that this growth is caused by two main factors:

- **Increase in soft skills offered:** during the first two years of operations Softeo offers a pack of three non-cognitive skills which results in a price of € 31.56 per student. However, starting from year 3 Softeo offers a pack of 6 non-cognitive skills and the price per student rises to € 47.34.

- **Number of customers - schools:** as previously explained in the Go to Market Strategy, the first two years we only operate in the Community of Madrid, consequently we will reach a total of 10 users. In years 3, 4 and 5 we will operate in Spain meaning that the percentage growth in number of customers will be greater. We will count with a total of 230 customers in year 5, rising revenues exponentially from €390,853.69 in year 4 to €1,189,170.51 in year 5.

Table 16: Softeo's P&L Account

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Revenues | € - | € 11,068.81 | € 29,516.84 | € 135,685.22 | € 390,853.69 | € 1,189,170.51 |
| Direct Costs | € 16,250.00 | € 40,200.00 | € 45,720.00 | € 57,180.00 | € 67,800.00 | € 140,400.00 |
| Gross Margin | -€ 16,250.00 | -€ 29,131.19 | -€ 16,203.16 | € 78,505.22 | € 323,053.69 | € 1,048,770.51 |
| % Gross Margin | - | -82% | -45% | 58% | 84% | 89% |
| Marketing & Sales | € 1,000.00 | € 15,000.00 | € 15,600.00 | € 18,000.00 | € 45,600.00 | € 93,600.00 |
| G&A | € 4,570.00 | € 26,108.00 | € 26,108.00 | € 26,108.00 | € 156,770.80 | € 175,202.20 |
| R&D | € - | € 2,000.00 | € 2,000.00 | € 2,000.00 | € 3,000.00 | € 5,000.00 |
| EBITDA | -€ 21,820.00 | -€ 72,239.19 | -€ 59,911.16 | € 32,397.22 | € 117,682.89 | € 774,968.31 |
| % EBITDA | - | -265% | -178% | 24% | 36% | 68% |
| D&A | € - | € 2,758.33 | € 2,825.00 | € 3,491.67 | € 3,671.33 | € 4,077.00 |
| Interest | € - | € 1,630.00 | € 1,380.00 | € 1,380.00 | € 1,554.05 | € 555.84 |
| Net Income | -€ 21,820.00 | -€ 76,627.52 | -€ 64,116.16 | € 27,525.56 | € 112,457.51 | € 770,335.47 |
| Tax | € 3,273.00 | € 11,494.13 | € 9,617.42 | -€ 6,881.39 | -€ 28,114.38 | -€ 192,583.87 |
| Net Income after Tax | -€ 18,547.00 | -€ 65,133.39 | -€ 54,498.74 | € 20,644.17 | € 84,343.13 | € 577,751.61 |
| % Net Income | - | -241% | -162% | 16% | 26% | 50% |

Source: Personal Elaboration

Cash Flow Statement

The following table illustrates the Statement of Cash Flows for Softeo. The Cash Flow analysis provides us with a representation of the company's income and expenses. This statement

suggests Softeo’s liquidity level. It can be observed that during year 0, the final cash balance is positive, specifically € 108,930. This happens because we receive necessary capital to develop Softeo’s operations. However, during the following two years, the final cash balance is negative, resulting from negative net income figures.

Table 17: Softeo’s Cash Flow Statement

| Statement of Cash Flows | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|
| Cash Flow from Assets | | | | | | |
| Net Income | -€ 18,547.00 | -€ 65,133.39 | -€ 54,498.74 | € 20,644.17 | € 84,343.13 | € 577,751.61 |
| Depreciation | | € 2,758.33 | € 2,825.00 | € 3,491.67 | € 3,671.33 | € 4,077.00 |
| Change in NWC | € - | € 1,278.34 | -€ 554.93 | -€ 3,298.95 | -€ 5,659.34 | -€ 21,767.42 |
| Change in Deferred Taxes | -€ 3,273.00 | -€ 11,494.13 | -€ 9,617.42 | € 6,881.39 | € 17,503.16 | € - |
| Cash Flow from Liabilities | | | | | | |
| Loan | | € 50,000.00 | | | | |
| Loan Payments | | | | | -€ 24,500.89 | -€ 25,499.10 |
| Capital | € 170,000.00 | | | | | |
| Cash Flow from Investments | -€ 39,250.00 | -€ 1,000.00 | -€ 10,000.00 | -€ 2,130.00 | -€ 4,390.00 | € - |
| Cash Flow | € 108,930.00 | -€ 23,590.85 | -€ 71,846.09 | € 25,588.28 | € 70,967.40 | € 534,562.08 |

Source: Personal Elaboration

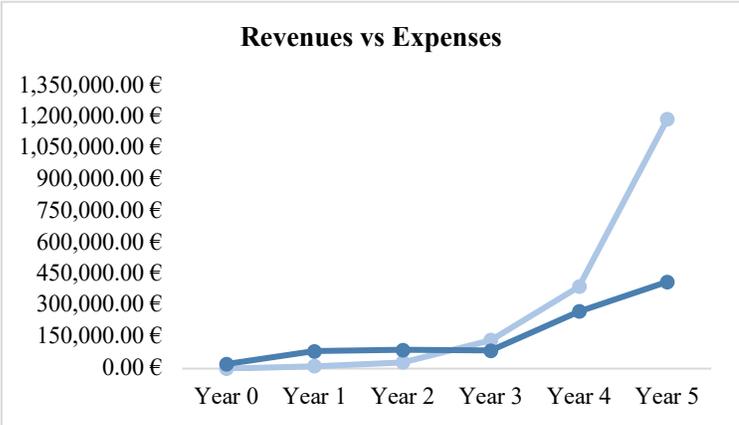
Furthermore, it is illustrated how starting from year 3 the cash flow statement is positive. The main reason for this is that we start to generate profit that year.

KPIs

Finally, it is essential to underline the KPI of Softeo’s financial plan. KPIs demonstrate the successful achievement of the company’s financial objectives. We decided to set the relationship between revenues and expenses as the first KPI. This indicator is very important since it is essential to cover all the expenses with the revenues generated by the company. It can be seen in the figure below how during the first two years the expenses (dark blue) overpass the total revenues (light

blue). However, starting from year 3 the revenues are higher. We must take into consideration that expenses keep on growing proportionally because of the company’s variable costs (they grow proportionally with the company): marketing, salaries, cloud storage, etc.

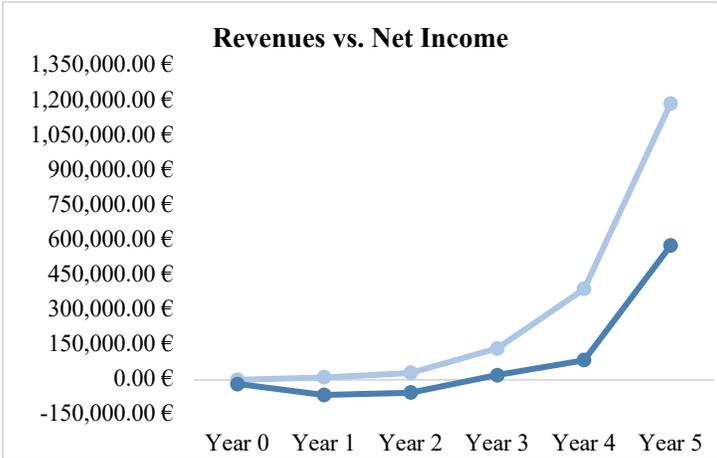
Figure 12: Softeo’s Revenues vs Expenses



Source: Personal Elaboration

The second KPI that we have considered is the relationship between revenue and net income. The following figure illustrates this relationship. The dark blue line represents Softeo’s net income and the lighter blue line Softeo’s revenues. As it can be seen there is also a proportional relationship between these two variables suggesting the positive accomplishment of this KPI.

Figure 13: Softeo’s Revenues vs Net Income



Source: Personal Elaboration

In addition to the KPIs, Annex 2 presents a Ratio Table that illustrates the evolution of the most important Ratios throughout the passage of the years. For example, it should be highlighted how the ROE is negative the first two years of operations but starts being positive on year 3 showing a ROE of 39% meaning that Softeo will be able to generate profits from the shareholder's investment starting from year three.

Destination of funds and budget

As previously mentioned, we will need to raise a total of €170,000 for the proper development of the platform, ensure its maintenance and carry out the necessary business activities. In addition, these funds are necessary to maintain a positive level of cash in the balance sheet to meet all company expenses. It is essential to highlight the most expensive and predominant investments and expenses:

Investments:

- **Software development:** Annex 2, specifically investments and depreciation table, illustrates the yearly investments on the platform. The software requires an initial investment of €35,000 in year 0. In addition, we will need a total of €10,000 during the third year to increase the number of soft skills offered to six. Lastly, a total of €1,000 will be annually directed towards the improvement of the platform based on feedback and market needs.
- **Computers:** MacBook Pros of € 1130 for each employee.

Expenses:

- **Platform's maintenance:** this expense will increase as the number of users grows. As it can be observed in Annex 2, the first year the total expenditure on maintenance will be

€2,400. However, in Year 5 the total annual expenditure will be €36,000 per month with 230 clients.

- **Salaries:** this expense is considered to be variable which means that it will increase as the number of clients increase.
- **Marketing and Sales:** this is also a variable cost; we will need a higher investment in marketing as years pass.
- **Office rental:** in year 4 we decided to rent a furnished office due to the increased activity and staff.

Investing proposal and shareholding structure:

The business opportunity for investors is based on the initial financing round carried out in year 0. We need to raise a total of €170,000 that would be transferred to Softeo's capital stock. This amount of money is required for the platform development, maintenance, and the execution of day-to-day business activities. In addition, it supports the viability of the four-month freemium packages we offer throughout the first two years of operations.

The distribution of the contributed capital is divided between:

- Founder's Team € 50,000
- Family and Friends and Fools (3Fs) € 30,000
- Business Angel / Pre-seed Investors € 90,000

We agreed that the 3Fs receive a 7% ownership in the company. This percentage is diluted in minority investors, so that no one would have a decision-making power in the start-up. In addition, Business Angel / Pre-seed Investors will receive a total of 21% ownership in Softeo. Lastly, the founding members will obtain a remaining of 72% divided in equal parts, receiving a 24% of stake.

7. Conclusions

After presenting Softeo as an innovative start-up, it is possible to respond to the objectives set at the beginning of this paper.

1. Study the importance of soft skills in today's labour market.

Soft skills are non-cognitive abilities that allow someone to interact with others, they are essential in the development of organizations and people's daily life, and they can have a crucial impact on an individual's mindset, behaviour, attitude, as well as the culture he/she is surrounded by. These skills involve communication, negotiation, emotional intelligence, problem solving, adaptability etc.

A study by McKinsey & Company (2019) has affirmed that social emotional skills are becoming crucial as intelligent machines take over more physical and repetitive tasks. Moreover, the Covid-19 pandemic has accelerated this transition. In addition, the market demand survey (Annex 1) has affirmed that individuals believe in the importance of enhancing these abilities throughout the academic trajectory of a student. Furthermore, the study confirmed that there was a gap between the soft skills demanded by the labour force and the soft skills presented by recent graduates. Lastly, the survey concluded stating that the development of a platform that measures and evaluates non-cognitive abilities throughout the academic trajectory would be an interesting project to carry out.

Therefore, we can confirm, by taking into consideration external studies, the market demand study, and my own experience that soft skills are becoming crucial, if not imperative, in today's labour market. Taking this into consideration, Softeo is born with the aim of tackling this issue from the source and introducing the importance of soft skills since the beginning of adulthood.

2. Develop external analysis of the company by carrying out a PEST and a Porter analysis.

a. Analysis of the external environment: PEST

The PEST analysis was essential to further understand the situation Spain presented at the launch of the start-up. To start, the political factors concluded that Softeo might have issues in the future if the *Unidas Podemos* party were to rule in Spain. This is because they present a negative opinion towards private education, our direct clients. In addition, the Celaá Law is also unfavourable for Softeo since it plans to eliminate chartered schools, our future potential client. Furthermore, we concluded that the economic crisis wouldn't have a potential impact on the development of Softeo. Following, social factors could be an advantage for the start-up. This is because, after analysing some studies, we concluded that students were unmotivated due to the Covid-19 pandemic, hence Softeo could be seen as a revolutionary platform to motivate students. Lastly, the technological factors presented a positive outlook since the level of investment in EdTech technologies is increasing. Overall, we can conclude that the situation in Spain is qualified for the development of the start-up.

b. Analysis of the industry: Porter

By using Porter's five forces model we concluded that customers have a low bargaining power, this is because Softeo can be considered a unique and innovative product in Spain, customers do not have competitors to compare to. However, competitors might react to Softeo's launch and decide to expand their services and offer similar characteristics. Taking this into consideration, it is essential to carry out retention strategies that will ensure the loyalty of our customers.

3. Present Softeo's business model by using the Business Model Canvas tool.

The Business Model Canvas studies the different components of a business model, this tool was essential to describe the main business ideas:

- Customer Segments: our direct clients will be schools, since they will be the clients paying for the product. On the other hand, our indirect clients will be students and parents since they will also benefit from the use of Softeo.

- Value Proposition: Softeo is a start-up that offers a three-way platform for schools, students, and parents to benefit from. The platform identifies, evaluates, measure and quantifies soft skills in secondary schools, offering a competitive advantage for schools, students, and parents. Schools will offer a holistic curriculum based in the education of cognitive and non-cognitive schools. Students will become aware of the importance of soft skills, this being essential for their future development. Parents will offer their children the best and most complete education.
- Channels: the main channel to reach our direct client will be through word of mouth. We will be offering four-month trials during the first two years. In addition, we will hold informational events, create social media accounts, and use traditional channels to reach our indirect clients.
- Customer Relations: we differentiated between customer acquisition and customer retention activity. Within customer acquisition, we will be offering a four-month trial period during the first two years of operations and month trial during the expansion phase. In addition, we will provide courses recommendation that intend to teachers, students, and parents. In the case of customer retention activities, we will hold informational events, we will be active on social media and other platforms.
- Revenues Streams: we will be charging schools a student fee depending on the number of soft skills presented. We devised this price taking into consideration the annual household spending per student in private education. During the first two years Softeo will be offering a total of three soft skills, which results in a price of €31.56 annually per student. During the expansion phase Softeo will offer a total of six soft skills, therefore the price rises to €47.34 annually per student.
- Key Resources: the platform will be Softeo's main and most important resource. Hence, we will need a developer, as well as psychopedagogue to successfully develop the software.
- Key Activities: we distinguished between back-end and front-end activities. The most important activity, that being the back end would be to successfully develop the platform. In the case of front-end we will need to design Softeo's web page.
- Key Partnerships: our key partners will first be Amazon Web Services, as a supplier of cloud computing. In addition, during the medium to long term of the start-up we aim to

form strategic alliances with companies like Pymetrics, entities like Universidad Pontificia Comillas and communities like Nova.

- Cost Structure: we distinguished between operational and non-operational costs. Within the operational costs we can highlight the platform's maintenance, IT Support, and the direct labour. On the other hand, non-operational costs included R&D, SG&A, Marketing, and other salaries expense.

4. Analyse the marketing, operations, and financial plan of the start-up

We utilized the following business tools to develop a successful business strategy:

- SWOT analysis: we identified the strengths, weaknesses, opportunities, and threats of the company. The major strength includes the uniqueness of the product and the use of EdTech technology. We identified as a weakness the inexperience in the sector. In addition, an opportunity would be the constant investment in R&D. Lastly, we concluded that the most important threat would be our competitor's reaction.
- Marketing Mix: we analysed the 4Ps of marketing. First, we analysed the product by expanding on the core, actual and augmented product. Following, we explained the pricing strategy based on average household spending on students in private education centres. Lastly, we concluded that the place and promotion were previously analysed within the BMC.
- Go to market strategy: we further analysed the marketing and commercial plan Softeo intends to follow within the first five years of operations.
- Functional organizational structure: we concluded that a simple organizational structure will be essential for Softeo's introduction in the market. We will count with four different departments including financial, operational, marketing, and technological.
- Financial plan: we explained the necessity to raise a total of €170,000 to be able to cover all the initial expenses and the short-term bills within the first five years of the start-up. In addition, we concluded that Softeo portrays positive projection within the P&L and Statement of Cash Flows which would result in an attractive investment.

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9. Annex

9.1 Annex 1: Survey on Market Demand

15/06/2021

SurveyMonkey Powered Online Survey



Education PRO

La pandemia ha puesto de manifiesto que las soft skills o habilidades blandas (liderazgo, trabajo en equipo, comunicación efectiva, etc.) son cada vez más importantes y requeridas en el ámbito profesional.

El objetivo de esta encuesta es entender bien el problema que manifiestan muchas empresas, las cuales indican que en ocasiones, los alumnos recién graduados carecen de muchas de esas soft skills cuando se incorporan a su primer trabajo.

* 1. Selecciona las opciones que describen mejor tu situación actual.

- Alumno universitario
- Alumno de colegio
- Trabajador en empresa
- Profesor o docente

<https://es.surveymonkey.com/r/EdtechPro>

1/4

- Padre
- Otro (por favor especifica)

* 2. ¿Consideras que realmente existe el problema de que los alumnos recién graduados no reúnen todas o alguna de las *soft skills* que demandan las empresas?

- Si
- No

3. En caso afirmativo, selecciona las cuatro *soft skills* que consideras que carecen en mayor medida los estudiantes al finalizar la educación escolar.

- Liderazgo
- Trabajo en Equipo
- Inteligencia Emocional
- Dotes de Comunicación
- Pensamiento Crítico
- Adaptabilidad y Resiliencia
- Habilidades para Resolver Problemas
- Innovación y Creatividad
- Motivación y Ambición
- Presentaciones en Público

*** 7. ¿Crees que podría ser interesante desarrollar una plataforma digital que monitoriza y potencia las habilidades blandas de los estudiantes durante su trayectoria académica?**

Si

No

Listo

Con la tecnología de



Ve lo fácil que es [crear una encuesta](#).

[Política de privacidad y cookies](#)

9.2 Annex 2: Financial Plan Tables

Annual Costs:

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Total Costs | € 21,820.00 | € 83,308.00 | € 89,428.00 | € 86,908.00 | € 273,170.80 | € 414,202.20 |
| Total Direct Costs | € 16,250.00 | € 40,200.00 | € 45,720.00 | € 40,800.00 | € 67,800.00 | € 140,400.00 |
| Platform Maintainance | € 500.00 | € 2,400.00 | € 5,520.00 | € 11,000.00 | € 14,400.00 | € 36,000.00 |
| IT Support Salary | € 7,000.00 | € 16,800.00 | € 18,000.00 | € 20,400.00 | € 24,000.00 | € 72,000.00 |
| Psychopedagogue Salary | € 7,000.00 | € 16,800.00 | € 18,000.00 | € 20,400.00 | € 24,000.00 | € 24,000.00 |
| Cloud Computing AWS | € 1,750.00 | € 4,200.00 | € 4,200.00 | € 4,380.00 | € 5,400.00 | € 8,400.00 |
| Total Indirect Costs | € 5,570.00 | € 43,108.00 | € 43,708.00 | € 46,108.00 | € 205,370.80 | € 273,802.20 |
| SG&A | € 4,570.00 | € 26,108.00 | € 26,108.00 | € 26,108.00 | € 156,770.80 | € 175,202.20 |
| Bank Account BBVA | € 50.00 | € 120.00 | € 120.00 | € 120.00 | € 120.00 | € 120.00 |
| Phone | € 539.25 | € 1,294.20 | € 1,294.20 | € 1,294.20 | € 2,157.00 | € 2,588.40 |
| Furnished Office Rent | € - | € - | € - | € - | € 24,000.00 | € 42,000.00 |
| Web Domain and Hosting | € 6.25 | € 15.00 | € 15.00 | € 15.00 | € 15.00 | € 15.00 |
| Insurance | € 74.50 | € 178.80 | € 178.80 | € 178.80 | € 178.80 | € 178.80 |
| Commercial Register | € 3,000.00 | € - | € - | € - | € - | € - |
| Patent | € 400.00 | € - | € - | € - | € - | € - |
| Legal Expenses | € 500.00 | € 500.00 | € 500.00 | € 500.00 | € 700.00 | € 700.00 |
| Finance Salary | € - | € 12,000.00 | € 12,000.00 | € 12,000.00 | € 33,600.00 | € 33,600.00 |
| Operations and HR Salary | € - | € 12,000.00 | € 12,000.00 | € 12,000.00 | € 24,000.00 | € 24,000.00 |
| Top Management Salary | € - | € - | € - | € - | € 72,000.00 | € 72,000.00 |
| Marketing | € 1,000.00 | € 15,000.00 | € 15,600.00 | € 18,000.00 | € 45,600.00 | € 93,600.00 |
| Marketing and Distribution expense | € 1,000.00 | € 3,000.00 | € 3,600.00 | € 6,000.00 | € 12,000.00 | € 36,000.00 |
| Marketing Salary | € - | € 12,000.00 | € 12,000.00 | € 12,000.00 | € 33,600.00 | € 57,600.00 |
| R&D | € - | € 2,000.00 | € 2,000.00 | € 2,000.00 | € 3,000.00 | € 5,000.00 |

Balance Sheet

| BALANCE SHEET | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash | € 108,930.00 | € 85,339.15 | € 13,493.06 | € 39,081.34 | € 110,048.73 | € 644,610.81 |
| Accounts Receivable | | € 368.96 | € 983.89 | € 4,522.84 | € 13,028.46 | € 39,639.02 |
| Deferred Taxes | € 3,273.00 | € 14,767.13 | € 24,384.55 | € 17,503.16 | € - | € - |
| Long Term Assets | € 112,203.00 | € 100,475.24 | € 38,861.51 | € 61,107.34 | € 123,077.18 | € 684,249.83 |
| Software | € 35,000.00 | € 33,666.67 | € 41,266.67 | € 39,200.00 | € 37,066.67 | € 33,866.67 |
| Computers | € 4,250.00 | € 3,825.00 | € 3,400.00 | € 4,105.00 | € 6,957.00 | € 6,080.00 |
| | € 39,250.00 | € 37,491.67 | € 44,666.67 | € 43,305.00 | € 44,023.67 | € 39,946.67 |
| Total Assets | € 151,453.00 | € 137,966.91 | € 83,528.17 | € 104,412.34 | € 167,100.85 | € 724,196.49 |
| Liabilities | | | | | | |
| Accounts Payable | | € 1,647.30 | € 1,707.30 | € 1,947.30 | € 4,793.58 | € 9,636.72 |
| LT Debt | | € 50,000.00 | € 50,000.00 | € 50,000.00 | € 25,499.10 | € - |
| Equity | | | | | | |
| Legal Reserve | € 170,000.00 | € 170,000.00 | € 170,000.00 | € 170,000.00 | € 170,000.00 | € 170,000.00 |
| Net Income | -€ 18,547.00 | -€ 65,133.39 | -€ 54,498.74 | € 20,644.17 | € 84,343.13 | € 577,751.61 |
| Accumulated Net Income | | -€ 18,547.00 | -€ 83,680.39 | -€ 138,179.13 | -€ 117,534.96 | -€ 33,191.83 |
| Liabilities + Equity | € 151,453.00 | € 137,966.91 | € 83,528.17 | € 104,412.34 | € 167,100.85 | € 724,196.49 |

Investments and Depreciations

| INVESTMENTS IN ASSETS | Life (years) | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------|--------------|--------------------|-------------------|--------------------|-------------------|-------------------|---------------|
| Software Year 0 | 15 | 35,000.00 € | | | | | |
| Software Year 1 | 15 | | 1,000.00 € | | | | |
| Software Year 2 | 15 | | | 10,000.00 € | | | |
| Software Year 3 | 15 | | | | 1,000.00 € | | |
| Software Year 4 | 15 | | | | | 1,000.00 € | |
| Computers Year 0 | 10 | 4,250.00 € | | | | | |
| Computers Year 3 | 10 | | | | 1,130.00 € | | |
| Computers Year 4 | 10 | | | | | 3,390.00 € | |
| TOTAL INVESTMENTS | | 39,250.00 € | 1,000.00 € | 10,000.00 € | 2,130.00 € | 4,390.00 € | 0.00 € |

| ANNUAL DEPRECIATION | Life (years) | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------|--------------|--------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Software Year 0 | 15 | | 2,333.33 € | 2,333.33 € | 2,333.33 € | 2,333.33 € | 2,333.33 € |
| Software Year 1 | 15 | | | 66.67 € | 66.67 € | 66.67 € | 66.67 € |
| Software Year 2 | 15 | | | | 666.67 € | 666.67 € | 666.67 € |
| Software Year 3 | 15 | | | | | 66.67 € | 66.67 € |
| Software Year 4 | 15 | | | | | | 66.67 € |
| Computers Year 0 | 10 | | 425.00 € | 425.00 € | 425.00 € | 425.00 € | 425.00 € |
| Computers Year 3 | 10 | | | | | 113.00 € | 113.00 € |
| Computers Year 4 | 10 | | | | | | 339.00 € |
| TOTAL DEPRECIATION | | | 2,758.33 € | 2,825.00 € | 3,491.67 € | 3,671.33 € | 4,077.00 € |

NPV

| Unlevered | | | | | | | |
|-----------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Present Value | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| Cash Flow from Assets | | | | | | | |
| Net Income | -€ 18,547.00 | -€ 65,133.39 | -€ 54,498.74 | € 20,644.17 | € 84,343.13 | € 577,751.61 | |
| Depreciation | | € 2,758.33 | € 2,825.00 | € 3,491.67 | € 3,671.33 | € 4,077.00 | |
| Interest | | € 1,630.00 | € 1,380.00 | € 1,380.00 | € 1,554.05 | € 555.84 | |
| Change in NWC | € - | € 1,278.34 | -€ 554.93 | -€ 3,298.95 | -€ 5,659.34 | -€ 21,767.42 | |
| Change in Deferred Taxes | -€ 3,273.00 | -€ 11,494.13 | -€ 9,617.42 | € 6,881.39 | € 17,503.16 | € - | |
| Cash Flow from Investments | -€ 39,250.00 | -€ 1,000.00 | -€ 10,000.00 | -€ 2,130.00 | -€ 4,390.00 | € - | |
| Terminal Value | | | | | | | € 2,468,591.04 |
| Net Cash Flows | -€ 61,070.00 | -€ 71,960.85 | -€ 70,466.09 | € 26,968.28 | € 97,022.34 | € 560,617.02 | € 2,468,591.04 |
| Present Value | -€ 61,070.00 | -€ 71,960.85 | -€ 70,466.09 | € 26,968.28 | € 97,022.34 | € 560,617.02 | € 2,468,591.04 |
| Net Present Value | € 2,949,701.74 | | | | | | |
| IRR | 78% | | | | | | |

Ratios

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Treasury Ratio | - | 165% | 26% | 75% | 363% | 6689% |
| Debt Ratio | - | 0.60 | 1.62 | 0.99 | 0.22 | 0.01 |
| Solvency Ratio | - | 2.67 | 1.62 | 2.01 | 5.52 | 75.15 |
| Liquidity Ratio | - | 60.99 | 22.76 | 31.38 | 25.68 | 71.00 |
| ROA (with EBIT) | -14% | -58% | -80% | 23% | 65% | 106% |
| ROA (with NI) | -12% | -47% | -65% | 20% | 50% | 80% |
| ROE | -12% | -75% | -171% | 39% | 62% | 81% |
| % of profit | - | -588% | -185% | 15% | 22% | 49% |