2015 - 2016 Company Report

Teacher: Martha Rush
School: Mounds View High School
1900 Lake Valentine Rd, Arden Hills, MN 55112

Junior Achievement®

Medtronic
Further, Together

Executive Summary

Our Mission

We break down the many language barriers that hinder worldwide communication and expression. We do this by empowering students to learn languages through reading comprehension and conversational fluency. In doing so, we challenge the conventional method of teaching languages through vocabulary.

Our Product

Our solution is an interactive ebook that will make Spanish more intuitive to learn. We provide an alternative to the ineffective method of teaching languages through vocab memorization in school. Specifically, our ebook immerses students into a language, teaching them reading comprehension and conversational fluency. While our competitors often offer a standardized software package, we work with teachers to ensure that our interactive ebook is affordable and will fit their curriculum. Through this project we learned how to effectively display information. We carried this skillset into creating mobile responsive websites for clients.

Students go through an interactive story with unit specific vocab words. There is a story line with a spanish recording to follow along.
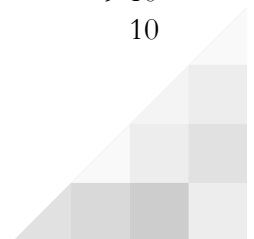
Finance Summary

Leozarb liquidated with a revenue of $5,325. This allowed us to donate $250 to *Girls Who Code,* an organization that gets females interested in coding. We also worked with another JA Company, *Rhidian Tech*, to sponsor an upcoming hackathon.

Company Performance

Leozarb exceeded the goals set by Junior Achievement. Team members learned the inner workings of entrepreneurship and teamwork. Leozarb also met the goals set by the co-founders by exceeding our initial goal of $1000 in revenue. We're now a sustainable venture with a long term-vision of being a contender in the Spanish education industry. Leozarb also gained national recognition for winning the Congressional App Challenge Competition.

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Introduction

Our Story

It seems like all high schoolers have struggles with Spanish. Take Furqan for example. No matter how hard he tried, he couldn't master the material. Discouraged and disappointed, it seemed like he would never learn another language in his life. What he didn't realize however, was that his approach to learning Spanish through vocab memorization was counterproductive and inefficient.

Furqan and others realized that mastering a language requires the learner to truly immerse himself or herself in the vocab, grammar, and syntax of the language. We sought out to replicate this "immersion" experience by creating an interactive ebook that mimics the experience of living in a Spanish speaking country.

As a venture, we've had many successes that gave us pride and failures that taught us lessons. Excited by our first sale, we were hasty in scrambling to other development projects without considering our company mission. In doing so, our team lost the passion and focus necessary for making our company successful. We were able to pivot however, and restore our company by restraining ourselves to being proficient masters in the Spanish education industry before tackling other project ideas. By maintaining our focus in the Spanish education niche, Leozarb has grown to become a real contender in the Spanish education industry.

Identity

The "Leozarb" identity symbolizes a devout appreciation of the technical and artistic mindset necessary for company success.
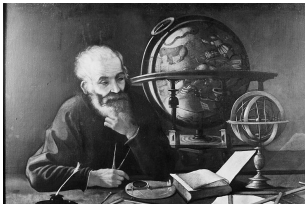
Leo was strung from Galileo, the proponent of heliocentrism, which was the idea that the earth revolves around the sun. As a testament to our appreciation of Galileo's ingenuity, our word logo was designed to look exactly the same when it is rotated.

Zarb refers to the principal percussion instrument of Persian music. Just like the musical sounds from this drum, our company depends on the artistic talent of our teammates. For this reason, our logo is in the shape of a drum to remind our teammates and our customers of how much we value the artistic spirit necessary for our company.

The blue from our logo signifies the sky. Galileo had the scientific curiosity to look up to the sky and innovate the technology to understand the unexplainable. At Leozarb, we look beyond what is visible. We create solutions for problems that most people are unaware of. Our company culture is the culmination of Galileo's ingenuity and the artistic aspects of the Zarb. This is why we are Leozarb.

Corporate Principles

❏ <u>Efficient</u> <u>Education</u>**:** We understand that technology is a tool, not a product. We improve our solutions through focusing on their ability to help students learn a foreign language. We excel not because we use flashy features, but rather because we use technology appropriately and efficiently.

❏ <u>Diversity</u>: We value and enjoy the multiple viewpoints that each and every company member brings to the team. This is why we decided to support Girls who Code, an organization geared to getting females more interested in coding. We hope to help females who would otherwise feel daunted by computer science to explore the field of coding.

❏ <u>Collective</u> <u>Creativity</u>: Our team follows the vision of not one person, but the collective will of the people who make up our team. We take unconventional paths to ensure that our creations are created with passion and thoughtfulness.

❏ <u>Affordability</u>: Everyone, no matter their social economics, should have the chance to use our product to enhance their learning experience. We will work hard to ensure all transactions are rewarding for both the customer and the producer.

Leadership and Organization

In contrast to traditional methods of establishing a business in which a leader is pre-selected and members are appointed to positions, each team members was given the option to choose from a multitude of departments depending on their interests and passions. Through this system, members were driven by self-motivation rather than a predetermined profit or quota.

Leadership positions naturally arose from certain individuals stepping up to take the role.

Chief Officers	Production	Marketing	Finance
Furqan and Maddie maintained company identity and focus. They made sure we were meeting deadlines and finding improvements. Management motivated each of us to do our part, emphasizing teamwork and cooperation.	Production consisted of creative individuals who worked on the development process from start to finish. Our Spanish expert Hassan worked with the graphic designers, Albert and Shelley, and collaborated with our programmers, Furqan and Maha, to create the final product.	The Marketing stage includes strategists Nandini, David, Grace, Danny, and salespeople Michelle and Katrina. They worked tirelessly to find potential clients and skillfully secured their sales.	The Finance team monitored sales and kept track of budgeting. Grace, Katrina, Persis, Sophie, Aarthi, and Shelley ensured company stability by maximizing profits and tracking expenses.

Production Process

The production process itself has progressed closer to perfection through trial and error. Our team wasn't allowed to move forward to the next step unless confirmed with by the VP's and CEO. Below is a diagram of our original developmental process.

Brainstorming We discuss problems we face and document them
Mockups & Prototype A documented prototype solution is created. There's no heed to user friendliness during this step. Workability is the top priority.
Design & Content We custom design our ebook to fit the curriculum set by the teachers. Programmers document their work and instruct graphic artists of artwork to be completed.
Bug Checking We look for coding deficiencies and setbacks in user friendliness and functionality. All bugs are documented and discussed with the Production Team.
Delivery After our team has completed the app to our utmost satisfaction, the customer is finally given the finished product.
Customer Feedback The production team works with the sales team to understand customer feelings through surveys and interviews

Although this process led to great documentation and a clear structure, it was *extremely* inefficient. Graphic Artists had to remain idle when they didn't have the requirements from the programmers. Programmers felt frustrated when the requirements from the Mockup Step were outdated or just outright wrong. Almost all groups felt that the focus on documentation was a hinderance, not a benefit.

We discussed the issue together as a team and talked about what could be done to improve our production strategy. In the end, we reformed our production process and become more adaptive to change. The end result was Feature Driven Development.

Instead of a sequential production process, we followed an incremental strategy in which the requirements and soft-deadlines could be volatile. Developers completed projects by working on

modules, like a feature or page in the ebook. The developers then gave specific requirements to the graphic designers but were able to change them later.

Although this new process ended up creating less structure, members of Leozarb enjoyed the change. To make up for the loss of structure and organization, a check-in meeting was held weekly.

	Favourable	Unfavourable
Internal	**Strengths** • Our app is completely custom to fit what teachers want. • We only employ local Mounds View students that have demonstrated work ethic and excellence • Involves reading comprehension, not just vocab so students truly learn the language • Everyone on the team is super excited!	**Weaknesses** • Lack of experience with programming and navigating through school system for getting teachers to use app.
External	**Opportunities** • Many students are bored in class and can benefit from this • Can expand into voice recording, self-check quizzes, writing, and emailing teachers status reports	**Threats** • May run out of funds • Could face competition from book companies like Kaplan • Someone in school administration may not approve of app

SWOT Analysis

While we were steadfast towards our product, we took the time to make an honest analysis of our company's position.

This analysis warned us of threats and weaknesses such as our inexperience and dependance on school administration approval.

It also demonstrated the features that differentiate us. This helped the production team stay innovative and helped the sales team effectively market our product.

Marketing and Sales

Our marketing team collaborated with the production team to create a demo prototype. This prototype was designed to highlight the interactive elements incorporated in our product. We used this prototype in face to face meetings with administrators and teachers as well as students to see if the application would be a tool that they would be willing to incorporate into their learning experience.

To create a successful marketing plan, we broke down our target market into three different categories. This helped us modify our strategy to selectively market and appeal to each of these demographics.

Students

Students want something that is fun and interactive.

We conducted surveys and found that close to 89% Mounds View students taking Spanish felt disengaged or uninterested during class

Since students were the end-user but not the customer, our marketing revolved around surveys to gauge student interest. We understood that they weren't the ones paying for the app, but ultimately it was their feedback that was able to convince administrators and teachers.

Admins

Administration want something that is easily distributable and easy to maintain.

When talking to Mrs.Peschel, the Mounds View Head Curriculum admin, we made sure to display how easy it would be to put our ebook on school devices. Her concerns revolved around maintenance which our production team was able to address.

Administrators are the customer, but aren't the user. Our marketing team used student surveys and teacher recommendations to influence administrators.

Teachers

Teachers want a product that can customized and edited to fit their curriculum.

We quickly realized that many teachers felt frustrated with current software tools out there as they had to choose between changing their curriculum to fit the software application or using a tool that doesn't teach the correct material.

Teachers couldn't actually buy our product but they had a lot of influence on the administrators. We made sure to emphasize the customizability of our ebook to make them more eager.

We also sought to gain attention by using the free tools that surround us including social networking (i.e. Facebook) and print media. We were also featured in the Mounds View High School newspaper, *The Viewer*, as well as the District Newsletter, *School Talk*.

How We Affect the Community

School is a place where students receive an education that can determine their future as well as their impact in the community. Spanish is the second-most spoken language in the U.S., and learning this significant language can immerse students culturally and globally. Our ebook enhances the progress and speed of learning for students, making it easy to access as well as making the process more intuitive.

While we teach foreign languages to native born Americans, we also attempt to break technological barriers that some small businesses immigrants face. Many of our clients speak English as their second language and have been servicing the community for over decades. They face various difficulties when creating or seeking their own website for their shop. Our clients, coming from countries such as India, China, and Vietnam, have been much appreciative of the small shop websites, the blogs, and the appointment systems we've created for them. Unlike the thousands of dollars that other professional website services charge, we thrive in flexibility and affordability. We understand the struggles of having a small business, and there has been no customer that turned us down due to our price. By aiding small local businesses and immigrants in an affordable option, we make the local community, digitally and in reality, more connected.

Leozarb is also very involved in our high school, Mounds View. In founding a co-ed programming club and sponsoring the district's Art & Literature magazine across two high schools, we always look to spread our principles of education, diversity, creativity, and affordability back onto our roots.

Additionally, Leozarb understands the importance of Computer Science as a technical skill to have. It teaches important problem-solving and outside-the-box thinking skills. It is also one of the
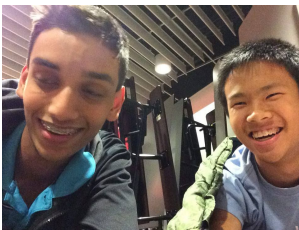
fastest growing fields, becoming more significant as we enter a new era of technology. That's why Leozarb encouraged our team members to be involved with creating Hackathons. Hackathons are coding events in which high schoolers work in groups to code and design whatever they want in 24 hours. After the 24 hours transpire, each team presents on what they created. Furthermore, Leozarb members were responsible for organizing Code Day Winter in which over *100* high schoolers came to the Minnesota Science Museum to develop their creative ideas. Leozarb is now working with another JA Company, *Rhidian Tech*, to sponsor a hackathon specifically for students that go to Mounds View High School.

Leozarb has also pledged to donate 5% of profits to *Girls Who Code*, an organization geared to getting females more interested in coding. In the male dominated technology sector of today, we can't stress how important it is to take initiative in immersing more women into technology.

Facing Obstacles

Difficulties among members or aspects of a company is an unavoidable feature toward success. In fact, overcoming these obstacles only strengthened our company. The main challenge our company overcame was the numerous disagreements between teammates. Due to the diversity of our team, conflicts were inevitable. But through our persistence, we started to communicate more and learned to compromise instead of blindly insisting that it has to be done 'my way'. Meetings became scheduled regularly, allowing more input from the team in shaping the company. The team's differences sparked ideas rather than caused conflicts.

In addition, a production challenge was overcoming the learning curve. Each individual began with a different level of programming experience and this made collaboration within the department difficult. Most of our programmers lacked any prior exposure to mobile coding and, as a result, primarily relied on fellow teammates to learn the basics. It was even harder to learn to code collaboratively. Changing one line of code can mess the work of others. We tried a multitude of different solutions to try to solve the problem such as arranging different times where only one person worked on the code. However, we quickly realized that we were going about it the wrong way. Instead of dividing and conquering, we had to regroup and conquer. We broke up the coding requirements into modules that each programmer was in charge of and used Github, a code sharing service to create our products.

Innovation

As a company, we realize that merely using technology by itself *does not* constitute as innovation. Instead it's the act of combining pre-existing knowledge and technology to create a new product. But to understand the current tools out there, we had to network with the experts.

Company members were able to contact notable leaders such as Congressman Keith Ellison and State Auditor Rebecca Otto to understand how decisions are made in administration. We also sought the advice of Samad Rafe, the founder of Appcenter, a Minneapolis company that creates mobile applications and websites and Michael Jones, a Managing Partner at M. Jones & Associates, LLC, a technology consulting company. By talking to these experts were able to understand the technical industry standards for mobile ebooks. By learning the standards, we knew how to excel beyond them. In the end, our efforts paid off: Our Spanish ebook was honored and recognized by Minnesota Representative Tom Emmer when we won the Congressional App Challenge Competition.

Liquidation Report:

Category	Amount	Details/Comments
Total Sales	8	# of projects executed by Leozarb
Total Sales Revenue	$4825	
Total Revenue	$5325	Exceeded goal of $1000
Expenses on Material	$180	$55 for web hosting of other projects $25 for leozarb.com $100 for Apple developer account
Gross Profit Margin	$4813.28	Total Revenue - Sales Tax - Expenses on Material
Total Labor Compensation Wages	$4492.10	The amount remaining after subtracting the sales tax, expenses on materials, and charitable donations were allocated among the company members.
Charitable Donation	$321.18	5% of profit to Girls Who Code $65 to sponsor school Hackathon
Net Profit	$0	
Break Even Point	.6 units	Fixed costs/(Unit selling price – Variable costs)

Capitalization Method:
Company members pitched in some money to raise $500 in capital. By doing this we avoided detrimental debts or a responsibility to stockholders.

Costs
Leozarb's focus was on developing and distributing technology. For this reason, the initial fees for hosting and developer accounts accounted for most of the fixed expenses. Furthermore, most of the total expenses came from variable costs such as labor compensation and charitable donations instead of fixed costs.

Revenue model
Our monetization plan has consistently been one-time fee sales. Due to the fact that we're still an infant company, it's harder for us to negotiate. However, we plan to soon transfer to a subscription model once we gain the credibility to negotiate for better deals.

Financial Performance

Revenue	
Total Sales Revenue	$4825
Other Contributions	$500
Total Revenue	**$5325**

Expenses	
Sales Tax Calculation Local & State Sales Tax (6.875%) = (Sales Revenue ÷ (1 + Tax%)) × Tax%	$331.72
Expense on Materials	$180
Labor Compensation	$4492.10
Charitable Donations	$321.18
Total Expenses	**$5325**
Net Profit	**$0**

Capitalization	
Net Profit	$0
Capital Stock	$500
Total Shareholder Equity	$500.00
Dividend per Shareholder	$5
Stock Price	$5
Return on Investment (ROI)	100%

Learning Experiences and Future Application

Through hard work and collaboration, we were able to learn a multitude of skills, such as graphic design and programming, along with soft skills like speaking and sales. Whether it be designing something virtual or marketing something physical, the main takeaway -- leadership. Without it, "Leozarb" would still only be an idea, nothing else. By assigning students to certain areas of focus and allowing each student freedom to put forth their ideas and take control over their own actions, everyone became their own leader.

The future potential for our company is huge. According to *Forbes*, 91% of high schools offer a second language. Since our product is a digital service, we have the scalability to sell to schools in any state. As globalization connects people from all around the world to one another, the demand for learning new languages will only increase. Once we complete our goal of becoming proficient masters in the Spanish education industry, we will branch out our company to other major languages such as Chinese and German.