BUSINESS PLAN FOR CAREGAROO

by

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Abstract

This project represents a fully developed business plan for Caregaroo, an online product that connects care seekers with caregivers in a safer and more economical way than the competition. Caregaroo allows independent caregivers can find jobs caring for the elderly, children, pets and more.

The Caregaroo concept is based on trust and the wisdom of crowds. The product makes effective use of burgeoning social networking trends to create the word-of-mouth effect used in real life to get referrals and recommendations. Referrals from friends, colleagues and others in one’s online social network, increases trust in a candidate. In addition, Caregaroo utilizes the wisdom of crowds by supporting reviews by previous employers and other members of the community.

The project analyses the social, technological, industry and market environments, demonstrates the feasibility and financial attractiveness of the new venture, and recommends the venture as a timely and promising business opportunity.
Executive Summary

Azra Venture Inc. of Vancouver, BC, is proud to present a breakthrough concept in the application of social networking technologies for the online job search industry.

Azra Venture’s flagship product, Caregaroo, creates a safe, social and cost-effective way for independent caregivers to find jobs caring for the elderly, children, pets and more. This business plan describes the product, which allows caregivers and care seekers tap into their online networks for referrals and recommendations for a suitable match they can trust.

The related industries are online recruitment and online classified. The recruitment industry was estimated at $420B worldwide in 2008, and online classified was estimated at $100B globally in 2003. In addition, forecasts anticipate uninterrupted growth in the emerging ‘social classified’ industry, another related industry for Caregaroo. (Jain, 2009) (“Wikipedia Classified Ads”, n.d.)

Management Team

The Caregaroo management team bring many years of expertise to the table in design and development of online social products and care-giving services industries.

The CEO has a successful record of accomplishment in building technology-based online businesses with high profitability. Caregaroo’s CMO has a long professional career in the care-giving industry and brings deep insights into the needs of the customer and the tried and tested marketing strategies in this market. Finally, the CTO and CIO both have many years of experience with cutting-edge online technologies and developing solutions for major brands such as Electronic Arts.

Market Environment

The existing commercial solutions for finding care suffer from a number of shortfalls that range from high costs to unreliability of results. With the growing population of seniors, the market for finding care is ripe for an innovative solution that addresses the current shortcomings.
Online social networks are disrupting many industries from online search, to vacation rentals and shopping. Instead of relying on software algorithms to determine relevance and fit, online social dynamics rely on friends recommendations. Caregaroo is an example of how one’s social network can be utilized to find reliable care support.

In addition, Caregaroo utilizes the wisdom of crowds by tracking reviews on caregivers provided by previous employers. As James Surowiecki describes in his book “the Wisdom of Crowds”, the aggregation of information in groups often results in decisions that are better than could have been made by any single member of the group. Caregaroo tracks reviews on care seekers and caregivers. Over time, each member of the Caregaroo community develops an online reputational capital that is based on the collective feedback from other members. (Surowiecki, 2005)

Finally, the population’s experience through the recent economic downturn has irreversibly altered spending patterns. Since the 2008 economic crisis, consumers in the US are spending less and saving more. Caregaroo is well suited to this economic environment as it reduces costs while increasing value to the consumer.

**Financial Forecasts**

Caregaroo is expected to grow rapidly after the first year of operation to achieve revenues of over $14 M by year five.

Estimated revenue during the second year of operation is $265,000 (starting in 2012), rising to $1.1M and $5M in the third and fourth year, respectively. Gross margin projections for year four and five are 36 and 52 percent respectively. Positive cash flow is expected in the fourth year of operation.

**Conclusion**

The business plan presented here is to seize a market opportunity that is not being addressed by the brick-and-mortar agencies and the early Internet solution providers. By utilizing social networks and the wisdom of crowds, Caregaroo offers a brand new hiring platform for home care services.

The total required capital to take the product from product launch (phase 1), through to commercialization (phase 2), scale to North America (phase 3), product expansion (phase 4) and mass market (phase 5) is estimated at $2.5M. The investors can expect a return on investment in
the order of five to ten times, in approximately five to six years of investment. The exit strategy is to go public or sell the company to a strategic buyer.

In summary, the innovative use of new technologies and an exceptional cast of the management team, Caregaroo is an opportunity with significant upside potential, assuming that the stated assumptions and risks are successfully mitigated.
Dedication

This work is dedicated to my beloved mother, Azra Kermanshahi Mohseni, whose eternally graceful wisdom has been the beacon of my life.
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# Table of Contents

Approval .......................................................................................................................... ii  
Abstract ............................................................................................................................ iii  
Executive Summary ........................................................................................................ iv  
Dedication ....................................................................................................................... vii  
Acknowledgements ......................................................................................................... viii  
Table of Contents .......................................................................................................... ix  
List of Figures ................................................................................................................. xii  
List of Tables .................................................................................................................. xiii  
Glossary ........................................................................................................................... xiv  

1: Introduction .................................................................................................................. 1  
1.1 Background ............................................................................................................... 1  
1.2 Document Overview ............................................................................................... 2  

2: Company Overview ................................................................................................... 4  
2.1 Backstory ................................................................................................................ 4  
2.2 Market Need ............................................................................................................ 4  
2.3 Caregaroo Value Proposition .................................................................................... 5  
2.4 Social Context ......................................................................................................... 5  
  2.4.1 Adapting to Online Interaction ......................................................................... 6  
  2.4.2 Online Social Media ......................................................................................... 6  
  2.4.3 Personal Responsibility for Health ..................................................................... 6  
  2.4.4 Thrifty Ways Here to Stay .............................................................................. 7  

3: Industry Analysis ....................................................................................................... 8  
3.1 Industry Definition ................................................................................................. 8  
  3.1.1 Caregaroo Industry Boundaries ....................................................................... 8  
3.2 Porter’s Five Forces ................................................................................................. 9  
  3.2.1 Internal Rivalry ............................................................................................. 9  
  3.2.2 Threat of New Entrants ................................................................................ 10  
  3.2.3 Bargaining Power of Buyers ......................................................................... 11  
  3.2.4 Bargaining Power of Suppliers ..................................................................... 12  
  3.2.5 Threat of Substitute products ....................................................................... 12  
3.3 Environment Influences ......................................................................................... 15  
  3.3.1 The Government ............................................................................................ 15  
  3.3.2 Health Insurance Companies .......................................................................... 15  
  3.3.3 Regional Health Authorities .......................................................................... 16  
3.4 Collaborators .......................................................................................................... 16  
3.5 Industry Value Chain .............................................................................................. 17
3.6 Competitive Analysis ................................................................. 19
  3.6.1 Care.com ......................................................................... 19
  3.6.2 Facebook Marketplace by Oodle ................................... 20
  3.6.3 Consumer Value Matrix .................................................. 20
  3.6.4 Competitors SWOT Analysis ......................................... 21
  3.6.5 Competitor Feature Matrix ............................................. 24
  3.6.6 Pricing Model Comparisons ............................................. 25
3.7 Strategic Grouping Map ......................................................... 26
3.8 Key Success Factors ............................................................... 27

4: The Product ............................................................................. 29
  4.1 The Market Need - Finding Caregivers .............................. 29
  4.2 Caregaroo Competitive Advantages .................................. 30
  4.3 Customer Benefits and Value ............................................. 31
  4.4 Unique Selling Points .......................................................... 31
    4.4.1 Trust ........................................................................... 31
    4.4.2 Fast and Easy ............................................................. 32
    4.4.3 Price ........................................................................... 32
    4.4.4 Charities ................................................................... 33
  4.5 Screen Mock-ups and Use-case Scenarios ......................... 33

5: Market Segmentation & Sizing ............................................... 34
  5.1 Customer Descriptions ....................................................... 34
    5.1.1 The seniors ................................................................. 34
    5.1.2 The Care Seekers ....................................................... 36
    5.1.3 Caregivers ................................................................. 36
  5.2 Future Customer Segments ................................................ 37

6: Marketing Plan ....................................................................... 38
  6.1 Positioning Message ........................................................... 38
  6.2 Product ............................................................................... 38
  6.3 Pricing ............................................................................... 39
  6.4 Promotion .......................................................................... 39
  6.5 Place .................................................................................. 40
  6.6 Market Entry and Growth .................................................. 41

7: Development Plan ................................................................. 42
  7.1.1 Agile Methodology ........................................................ 42
  7.1.2 Product Timeline .......................................................... 43

8: Executive Team ..................................................................... 45

9: Financial Forecasts ............................................................... 46
  9.1 Sources of Financing .......................................................... 46
  9.2 Sources of Revenue ............................................................ 47
    9.2.1 Selling Ads ................................................................. 47
  9.3 Pro Forma Financials ............................................................ 48
    9.3.1 Revenue Projections ................................................... 48
List of Figures

Figure 3-1 Full-service Agency Industry Value Chain .............................................................. 18
Figure 3-2 Current Online Caregiver Job Search Industry Value Chain ...................................... 18
Figure 3-3 Caregaroo Free Service Modified Value Chain ......................................................... 18
Figure 3-4 Caregaroo Premium Service Value Chain ................................................................. 18
Figure 8-1 Caregaroo Product Timeline .................................................................................. 43
Figure B-1 Home Page ........................................................................................................... 58
Figure B-2 Search Results Page .............................................................................................. 59
Figure C-1 Caregiver Search Process ....................................................................................... 63
List of Tables

Table 3-1 Consumer Value Matrix ...........................................................................................................21
Table 3-2 Care.com SWOT Analysis ........................................................................................................22
Table 3-3 Craigslist SWOT Analysis .........................................................................................................23
Table 3-4 Facebook Marketplace (by Oodle) SWOT Analysis ..............................................................23
Table 3-5 Care Seekers’ Feature Matrix ...................................................................................................24
Table 3-6 Caregivers’ Feature Matrix .......................................................................................................25
Table 3-7 Consumer Price Comparisons ..................................................................................................25
Table 5-1 Market Size – Adult Population in North America (1,000s)...................................................35
Table 5-2 Market Size: Child Population in North America (1,000s).....................................................37
Table 7-1 Care Seekers’ Feature Matrix ...................................................................................................39
Table 10-1 Sources of Funding ...............................................................................................................46
Table 10-2 Revenue Projections ..............................................................................................................49
<table>
<thead>
<tr>
<th><strong>Glossary</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CPC</strong></td>
</tr>
<tr>
<td><strong>CPM</strong></td>
</tr>
<tr>
<td><strong>CTR</strong></td>
</tr>
<tr>
<td><strong>Internet display advertising</strong></td>
</tr>
<tr>
<td><strong>Online classified advertising</strong></td>
</tr>
<tr>
<td><strong>Online social networks</strong></td>
</tr>
</tbody>
</table>
1: Introduction

This document presents a fully developed business plan for Azra Ventures Inc., an early-stage start-up. Azra Ventures’s flagship product, Caregaroo, seeks to address the market gaps in the online job search industry for care-giving jobs, such as childcare, senior care and pet care. Caregaroo provides an innovative product, based on online social networking dynamics, which is more reliable and economical than the existing products.

Azra Ventures Inc. was founded in late 2010 and Caregaroo is currently under development. The objective of this project is to demonstrate the feasibility of the new business venture.

1.1 Background

The aging population in Canada and the US is now living longer, thanks to improved healthcare, access to medication and higher standards of living. Average life expectancy has reached 75.6 for males and 81.4 for females. The growing number of seniors - people aged 65 and older - will need an increasing level of support and care. In the US, 48M people are over 65 and in Canada, that number is 6M. When asked, 89% of seniors 70+ said they preferred to live at home for as long as possible, rather than move into a care facility. In fact, most seniors with long-term care needs - 65% - rely exclusively on family and friends to provide assistance. Another 30% supplement family care with assistance from paid providers. Care provided by family and friends can determine whether older persons can remain at home. Indeed, 50% of the elderly who have a long-term care need but no family available to care for them are in nursing homes, while only 7% who have a family caregiver are in institutional settings. (Marcell 2005) (Ansello & Rosenthal, 2007) (Cranswick, 1997) (US Administration on Aging, 2000)

While people are willing to help their elderly family and friends remain at home, caregiving duties can have a negative effect on caregivers’ health and career. For example, studies show that many of the women in fulltime employment, who were looking after an ailing family member, either left the workforce or passed up a promotion, in order to fulfil their primary caregiving role. The business idea of Caregaroo is to make it easier for families to find trustworthy caregivers for their aging parents living at home. (MetLife, 1999)
1.2 Document Overview

Following this introductory chapter, chapter 2 provides an overview of the company. Starting with the back-story of how the idea for the product was born, this chapter provides an overview of the market need, by describing the existing methods of finding home care and the shortcomings of each. The discussion of the existing customer needs is followed by Caregaroo’s value proposition. Chapter 2 explains the recent online community trends utilized by Facebook and Linked-in, which rest on mapping real-life social connections onto a virtual digital medium. The chapter explains how Caregaroo intends to apply these trends and the wisdom of crowds to solve the problem of finding trustworthy caregivers.

Chapter 3 provides an in-depth analysis of the key forces in the industry. In order to conduct the industry analysis, this chapter first describes the industry Caregaroo operates in by defining the industry boundaries. Porter’s five forces framework is applied to analyse the internal rivalry, threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitute products and, finally, the influences of the environmental forces such as government regulation. The industry value chain and the strategic grouping map are two additional tools used for studying the industry forces at play. The industry attractiveness is evaluated from the perspective of Caregaroo as a new entrant.

Chapter 4 describes the product. This chapter begins with a discussion of the negative impact on the lives and careers of primary caregivers. Despite the adverse affects, many family members continue to shoulder the burden of care-giving alone, because of the shortfalls of the existing methods for finding relief support. Caregaroo seeks to address these concerns and issues. The competitive advantages of Caregaroo are presented in chapter 4, along with a list of the customer benefits and unique selling points of the product. This chapter also provides early mock-ups of the product user interface and a number of common use-case scenarios, in order to illustrate the ease-of-use of the product.

Market segmentation and sizing is the subject of chapter 5. Each customer segment is described from a demographic and psychographic point of view. The chapter also provides an estimation of the population size in each segment. Caregaroo business model plans for product expansion into job search industry for jobs other than care-giving. Market expansion plans are briefly presented in this chapter.

Chapter 6 presents the marketing plan. This chapter considers the marketing mix four p’s: product, pricing, promotion and place. “Product” expands on the product features described
earlier in this document to include additional considerations such as presentation, ease-of-use and, customer support. “Pricing” lays out the revenue model and describes the free service provided to all users, in order to attract a critical mass of users as quickly as possible. Premium services will offer value to each customer segment and are the source of revenue generation. This chapter also provides the pricing model for the premium services. “Promotion” includes the marketing tactics used to reach each target audience, as well as the discount strategy. “Place” covers the channels of delivering Caregaroo’s services, such as a destination website, Facebook app, Mobile app, amongst others.

Chapter 7 provides details of the design and development plan, and explains the implementation goals for the first 5 years of operation, from inception and initial operation in Vancouver, to expansion across North America and Europe from care-giving jobs to all other classified job search. This chapter describes the metrics set out to gauge progress and the success criteria at each phase of development.

Chapter 8 describes the key talents and experience provided by the executive management team describing the skills they contribute to the business based on their successful record of career accomplishments.

Chapter 9 provides the financial plans, presenting the projected start-up costs, financing structure and financial statements. This section includes the expected sources of funding namely the founders and their friends and family, angel investors and venture capitalists (VCs), explaining the qualifying criteria that the business must meet for each stage of funding to proceed. The financial plan chapter provides sufficient data to paint a compelling picture of the profitability of the business.

Chapter 10 describes the exit strategy and chapter 11 provides a close look at the stated assumptions and the identified risks, which need to be mitigated in order to reach business goals.

The summary provided in chapter 12 concludes that Caregaroo is a strong business opportunity worthy of investment, assuming validity of the stated assumptions and mitigation of the identified risks.
2: Company Overview

2.1 Back-story

The business concept was born out of one of the founders’ personal experience with an elderly parent. When Kiana’s mother, Azra, suffered her second stroke that left her unable to live independently, Kiana, as her mother’s primary caregiver, needed relief support in order to cope with her fulltime job, but she found it difficult to find affordable and trustworthy caregivers. Looking around, Kiana realized she was not alone in this predicament. The need for affordable and trustworthy caregivers is growing in particular for the ‘sandwich generation’ who are looking after their children and aging parents while juggling their careers.

At the time, Kiana was leading a team developing online community features for their employer’s products. Putting the two together, the idea was born to utilize the unique capabilities of online communities to the problem of finding reliable and affordable home care. Cargaroo is the result of that concept.

2.2 Market Need

Currently, when a family needs extra help with looking after an aging parent living at home, or babysitting a child after school, they have several options. First, they can take the hiring process into their own hands. They can create a job posting on an online-classified website, such as Craigslist, and screen the applicants. This process can be time consuming and, despite the family’s best effort, can lead to unreliable results given that the applicants are complete strangers.

Another alternative is to engage a full-service agency providing qualified, pre-screened, bonded and insured candidates. This method is costly as sign-up fees can range $500-$5,000, and the hourly rate of the candidate is inflated to include the agency’s overhead costs and profit. In addition, while the insurance and bonding give the perception of security, the fact is that the bonding and insurance coverage only applies to narrowly defined set of conditions, which still leave the consumer vulnerable to potential mistreatment.

A third option is to use online caregiver databases. In early 2000s, online job sites started to disrupt the brick and mortar agency model. Online job sites in the care-giving vertical allow
caregivers to create an online profile listing their skills, experience and services and let employers post job openings and search through the database of candidates. While job sites reduce costs, customers and workers are concerned about the reliability of the other party. “How do I know I can trust someone I find online?”, “what if it is a scam”, are typical concerns expressed by customers.

In summary, all of the existing methods of finding care suffer from various shortfalls that range from high costs to lack of reliability of results. The market for finding reliable care is ready for an innovative solution that addresses consumer complaints. Caregaroo offers a breakthrough improvement to the challenge.

2.3 Caregaroo Value Proposition

In practice, the most reliable avenue for finding trustworthy help is through the word of mouth. People looking for help ask around their neighbourhoods, work places, schools, churches and clubs. Help is found through a recommendation from a neighbour, a colleague or a friend of a friend. Caregaroo aims to recreate this word-of-mouth dynamic in the digital medium. Utilizing the individual’s web of friends and social connections, Caregaroo provides an online forum to connect care seekers and caregivers. Care seekers and potential advertisers will fuel revenues for the firm, while caregivers will be able to use the forum for free. Care seekers will pay minimal fees and only for premium services. In order to grow the network of users quickly and sustain the advantage over potential imitators, both care seekers and caregivers will be able to use most of Caregaroo’s services without charge.

In the social web, people are connected to each other through many networks representing their interests, activities, association and, ultimately, the type of person they are. In online social networks, one’s behaviour has consequences. This network dynamic provides a higher degree of safety. Given that trust is the essential element for a successful care-giving match, social networks have a natural solution to the problem. Recommendations through one’s social networks provide the peace of mind people need against online frauds and scams.

2.4 Social Context

Many cultural changes interplay to create a favourable environment for Caregaroo product in the market. Consider the following key trends.
2.4.1 Adapting to Online Interaction

Consider the cultural change in attitude, in the last few years, around online behaviour. In early days of the Internet, people were reluctant to shop online, use their real names and upload photos let alone meet someone online. Fast forward to 2011 and Facebook, Linked-in, Flickr, Match.com are now cultural mainstays. Facebook has 600 M users, Linked has 70M users and the online dating industry is estimated at $4B worldwide.

2.4.2 Online Social Networks

A second social change is a fundamental shift in attitudes to representing oneself online. Whereas in the past online safety was mostly enforce through anonymity, today there is an overwhelming trend toward constructing an online persona that represents the individual. This persona is made up of many pieces of information that the individual shares about themselves, their photos, tastes in music, books, films, statements on what they are doing and thinking about, as well as their network of friends, family, co-workers and other associates. This tapestry of data resides on many websites and forms a fair representation of the individual.

Online social dynamics are disrupting many industries from online search, to vacation rentals, to shopping. Instead of relying on software algorithms to determine relevance and fit, online social dynamics rely on friends and community recommendations.

As online social networks grow and become ubiquitous, more ways of utilizing those networks come to life. Caregaroo is an example of how one’s social network can pay off when looking for care support.

2.4.3 Personal Responsibility for Health

Another major shift in social behaviour is the trend towards individual responsibility for one’s healthcare. There is a move away from wholesale reliance in the health care system to take care of all aspects of one’s well-being, and toward a proactive approach for individuals to understand their own and their family’s needs and actively engaging in meeting those needs. In fact, personal responsibility for health is a key component of the US “Roadmap to Medicaid Reform” plan laid out in 2006. (Steinbrook, 2006)
2.4.4 Thrifty Ways Here to Stay

While there are opposing views on whether North America will ever return to the glory decades of unprecedented growth, there is a general agreement that people’s experience through the recent downturn has irreversibly altered their spending patterns. Since the 2008 economic crisis there has been a significant rise in personal savings rates in the US. In such an economic environment, tools that lower costs to the consumer will be popular. Caregaroo is well suited to this economic environment as it reduces costs, while increasing value to consumer. (“Wikipedia: US Personal Savings Rate 1960-2010”, n.d.)
3: Industry Analysis

The purpose of this chapter is to analyse the overall attractiveness of the industry in which Caregaroo will be operating and the ability for Caregaroo to secure competitive advantage and extract economic rent. The review includes a definition of the industry boundaries, a survey of the underlying forces at work and the critical factors that lead to success.

3.1 Industry Definition

In order to define the industry boundaries, this project identifies similar products and services that operate in the same geographical area and on the same target market. When drawing the industry boundaries, it is important to isolate a competitive space with a good balance between breadth and focus. An industry definition that is too broad or too narrow will not render an effective analysis.

3.1.1 Caregaroo Industry Boundaries

Caregaroo targets the online job search industry for care-giving jobs such as childcare, seniors care, and care for the disabled and pet care.

This project defines the industry for “online job search for caregivers in North America” as the group of products that meet the following criteria:

- Provide an online mechanism for independent caregivers and care seekers to find each other.
- Focus on consumer-to-consumer exchange, not involving small, medium or large businesses.
- Focus on non-medical care for dependent recipients such as the elderly, children, the disabled and pets. The jobs may be casual nature and one-off, recurring, part-time or fulltime and short and long term.
- Utilize community tools in order to provide some measure of screening, such as tools facilitating safe communication between parties, user reviews, ratings, recommendation, feedback and background checks.
• Provide a mechanism for word-of-mouth referrals and recommendations through friends, colleagues and others connected to the individual through their social network, in order to build trust and remove risk of fraud and scams

• Operations focus on Canada and US, but may expand to the rest of the world

A number of direct competitors in this market space meet most if not all of the criteria above. There are also a number of substitute products offered by indirect competitors, which are described in strategic analysis, below. Online, geographical boundaries quickly become less critical for operational success than in “bricks-and-mortar” businesses. Caregaroo will initially target growth through marketing in Western Canada and the Greater Vancouver area, and expand as the subscriber base grows past those geographies.

3.2 Porter’s Five Forces

Michael E. Porter’s five forces analysis framework surveys the internal rivalry amongst existing competitors, measures the barriers to entry, weighs the bargaining power of buyers and suppliers, and considers the threats of substitution as well as the influence of government in the industry. Refer to appendix D, for an illustration of Porter’s five forces applied to this industry. In this analysis, the industry attractiveness is evaluated from the perspective of a new entrant (Caregaroo).

3.2.1 Internal Rivalry

The online marketplace for care-giving jobs is a niche market with a number of direct competitors that offer similar products. The players are currently competing in the Canadian and US markets. The main competitors are Care.com and SitterCity.com in the US and CanadianAdultCare.ca in Canada, with Care.com being the market leader. For the rest of this document Care.com is used to represent this category of competitors.

The Care.com destination website provides an online database of caregivers and caregiver jobs. The site also provides features designed to build confidence in the listed care-giving candidates. These features include recommendations and reviews from previous employers. However, these recommendation and reviews cannot be trusted because there is no mechanism to verify the identity of the employers who have provided the feedback. Caregaroo, in comparison, provides a profile for each employer including reviews from previous employees.
Care.com also fosters a “community” forum by offering daily content of advice, insight and public education on matters relating to childcare, elderly care and general family care. However, the quality of content cannot compete with health advice community sites, such as Caring.com, which exclusively focus on providing timely and accurate health advice.

In addition, Care.com drives up visitor traffic to their site by offering consumer product discount coupons for their partner retail brands.

These competitors are in private ownership so financial and other performance metrics data are not readily available for comparison. Care.com has announced its plans to roll out its services to Canadian cities.

While there is considerable internal rivalry between the top two US players, Care.com and SitterCity.com, the market penetration is low and the market size as a whole is growing, as aging baby boomers reach retirement age. As a result, the overall internal rivalry forces are considered moderate.

3.2.2 Threat of New Entrants

The threat of new entrants is high. A new market entrant can develop a rival web service at a low cost. The new entrant would be able to keep the cost of marketing and advertising of a new site low, through use of social media and viral marketing campaigns. With low capital cost of entry, it can be easy to enter the market. However, the main barrier for new entrants is the network effect. The nature of the online service is such that the larger the database of caregivers and care seekers, the higher the value provided to the consumer. Once any one of the market players establish a large customer base in any one geographical region, it will be difficult for new entrants to steal the customers away.

However, there are solutions to this entry barrier as demonstrated by Facebook. Consider the competitive dynamics of MySpace and Facebook. MySpace was the market leaders at the time when Mark Zuckerberg launched Facebook. Facebook managed to attract customer away from the incumbent by providing a superior experience and by constant innovation to provide new and highly desirable features to its customers on an ongoing basis. Facebook must continue to innovate at a fast pace in order to stay ahead of the curve. It now has an established customer base of 500M users, which is a significant barrier to entry.
3.2.3 Bargaining Power of Buyers

Caregaroo has three types of buyers namely, care seekers, care-givers and advertisers. The overall power of buyers is considered to be high, as described below.

3.2.3.1 Care Seekers

The care seekers are the buyers in this business model, as they are the ones who pay for the service. Care seekers will use the service that renders most satisfactory results most often. While the size of the database of caregivers can be a factor in an online service, the fact is that there are no exclusive agreements between online job sites and care providers. In fact, most care providers list their services on all available job sites hoping to maximize their market exposure.

Switching costs for care seekers are low to moderate. While the process of setting up a new profile on a new site is quick and easy when switching to a new site, care seekers lose their history. The care seeker’s history, otherwise known as their online reputational capital, is an indication of whether a care seeker is a desirable employer. If an employer treats her caregivers well - by paying them on time and providing a pleasant working environment, etc - they are likely to receive a positive rating by their caregivers. Overtime, feedback ratings will form the employer’s “online reputation”. This is a valuable commodity. In a marketplace where caregivers are in short supply, the caregivers are likely to consider a prospective employer’s reputation before deciding which job offers to accept.

The general perception among care seekers is that it is difficult to identify a trustworthy caregiver who is a good fit for the specific needs of the family. Care seekers want assurance that they can trust the caregiver candidates they find in an online marketplace. The marketplace that offers most effective tools to identify a good-fit candidates from the rest, wins against the competition.

3.2.3.2 Caregivers

Experienced caregivers are in short supply and have considerable bargaining power, if they have formal qualifications and prior work experience. They can list their services on many different online marketplaces at the same time, so loyalty and switching costs are low. In order to attract and retain this group of caregivers, special features that identify them as star players, and allows them to set their own prices and encourage employer bidding-wars would be effective.
For those candidates who do not have any formal qualifications or prior work experience, it is difficult to get a foothold in the market. Interestingly, this is the group most valuable to the industry as the only short-term solution to the workers shortage problem. Offering innovative features to assist untrained candidates find a job, is key to attracting and retaining this group. Features such as online testimonials from friends, family, neighbours, teachers, their church, etc, would help this group build credibility they need to get started.

3.2.3.3 Advertisers

Caregaroo will offer advertising to a wide range of clients, focusing on consumer goods brands that target the seniors’ population and young families with children. The bargaining power of advertisers is considerable to be high. They set the prices based on the volume of traffic a website can offer them.

3.2.4 Bargaining Power of Suppliers

The main suppliers are the software developers and other technical professionals with expertise in web application development. The power of suppliers is considered to be low, since the development team is based in Vancouver, a city that enjoys a large pool of qualified professionals and relatively few employment opportunities.

3.2.5 Threat of Substitute products

The threat of substitute products is moderate. The most obvious alternative to online job search products such as care.com and Caregaroo is to engage the services of a full-service nursing agency. However, this can be a costly solution, as full-service agencies charge a premium for their services.

A common substitute is for family members to provide the care free of charge. As described earlier, this is often the case. However, caregiver burnout is becoming a serious issue, which makes this path undesirable for the caregiver and the caregivers’ family.

Other substitute products include Craigslist, which is the leading online classified site, and Facebook Marketplace by Oodle, which is the second largest classified ads industry player.

The following sections discuss each of the identified substitute products in more detail.
3.2.5.1 Full-service Home Care Agencies

Full-service agencies charge a premium for their service offering that includes assessing the scope and nature of their clients’ needs, hiring certified nurses and non-medical caregivers, and matching them with their clients. Full-service agencies take responsibility for the quality of care their staff provides. They train, mentor and coach their staff, provide them with insurance and bonding, and will make adjustments if clients are not satisfied with the quality of care they are receiving. These agencies are expensive. They operate with an initial “membership” fee that can range from $500 to $5,000. In addition, they charge a fee per hour, but pay their staff a fixed salary.

There has been a proliferation of full-service nursing agencies in North America over the last few years. In fact, home care industry has been the fastest growing segment in healthcare since 2004. The agencies can operate as independent businesses or a part of a franchise. Nurse Next Door is an example of a success story in full-service home care franchising business, with its origins in British Columbia. The agencies’ costs grow as the size of their operations grows because the core of the costs is the caregivers’ salaries. Franchising models benefit from economies of scale savings in costs such as branding and marketing. The nature of brick and mortar agency cost structure makes franchising an attractive option.

3.2.5.2 Craigslist

Craigslist, like other types of online classified ads, is a low-cost or free job posting board. Many families looking for caregivers choose to post an ad with the description of the help they are seeking. Once the applicants respond, the family conducts full screening of the candidates. This can be an economical but time-consuming method of identifying caregivers. However, there are thousands of such ads on craigslist.com at any given time.

With household brand name recognition enjoyed by Craigslist, this is a common substitute product to Caregaroo. Caregaroo competes with generic online classified products such as Craigslist through product differentiation. Emphasizing the ‘trust’ value proposition built on social networks, Caregaroo offers a more reliable forum for finding a reliable caregiver than Craigslist can.

3.2.5.3 Online Job Websites

Online job websites such as monster.com and workopolis.com are dedicated to general employment search. They provide a database of available jobs offered by employers, and
available applicants looking for jobs. An employer can create a job posting with a detailed
description of the open position and the profile of the ideal candidate. The fees for posting a job
can run into a few thousand dollars. Alternatively, employers can search the database of job
applicants for a match to fill their open positions. However, they must pay a one-time or
subscription fee, in order to get the applicants contact information.

Job seekers create a profile on the site, free-of-charge, with a detailed description of their
skills, work experience and the types of jobs they are seeking. They can also search for available
jobs based on search criteria. They can create alerts and receives notification of new job posted to
the site.

These websites are general listings of jobs in any line of profession. The jobs posted
maybe of full-time, part-time or contract nature. However, because of the sizable upfront fee for
posting a job, which can be as high as $400, these job sites are not suited for casual, short-term,
or non-exclusive contract jobs. For example, it is not cost-effective to post a sitter job that will
only last one evening, or an elder care job consisting of a few hours of work a week. Therefore,
recruitment job boards are not considered a strong substitute threat to Caregaroo.

3.2.5.4 Facebook Marketplace powered by Oodle

Facebook’s Marketplace app was Facebook’s foray into the online classified ads industry.
However, when Marketplace failed to compete with Craigslist, Facebook decided to hand over
development and management of the application to a company called Oodle. Oodle is the second
largest classified ad company after Craigslist. Oodle started operations in 2005 focusing on
building a classifieds search engine bringing together the best classified ads from all over the
web. The company is now moving increasingly towards social classifieds. “We are 100 percent
committed to social [classifieds],” Craig Donato, Oodle CEO, said in a recent interview. Six
million of the company’s 14M total users a month are on Facebook, and in December 2010, the
company released a host of new social features. (Schonfeld, 2010)

Users can see the items listed for sale by their friends on Facebook as well as listings by
friends of friends and people who belong to the same networks. Marketplace provides many
classified categories, however much of the company’s focus is on the rentals, real estate and jobs
verticals.

Adding real identities and tapping into your social networks changes the nature of many
of these transactions. Donato explains how Oodle is different from other forms of social
commerce: “The majority of social commerce is getting recommendations from friends about what to buy. What we are doing is different—who you are buying from matters as much as what you are buying.” Every listing is tied to a Facebook user account. The listings pages display the seller’s identity and indicate whether the seller is in the user’s social network. (Schonfeld, 2010)

Oodle charges small businesses for premium services such as reporting and linking listings to the businesses’ Facebook pages.

Caregaroo follows many of the social concepts behind Oodle’s Marketplace. Caregaroo differentiates itself against Marketplace through a focus strategy. By focusing on the jobs vertical, Caregaroo can customise the product to provide superior consumer value to job seekers and employers.

3.3 Environment Influences

This section of the document considers the environmental influences exerted by the government, private health insurance companies and the regional health authorities. While these influences must be taken into account, the direct impact of them on Caregaroo is considered to be low.

3.3.1 The Government

The primary roles played by the government is as an increasingly inadequate competitor. While the government continues to provide in-home care assistance for the elderly, as health care budgets shrink and the aging population expands, the government authorities will not be able to satisfy the market demand.

A second role the government plays is in setting privacy regulation. Privacy regulation defined by the government will have an impact on the way Caregaroo stores, uses and shares its customer data. These policies are under continuous review and debate and the policies change frequently, so it is important to keep abreast of the latest regulation requirements. It is also important for Caregaroo to provide transparency to its customers as to how the system stores and uses customer data. This will build trust in the service, and is essential to success.

3.3.2 Health Insurance Companies

Health Insurance companies provide insurance coverage that may include home care costs. The insurance companies would not deliver the care but would cover the full, or partial,
cost of home care. Some full-service agencies provide direct billing capabilities to insurance companies, so that the customer does not have to pay at all. In some cases, the insurance companies provide an interface for the care provider to obtain pre-approval of the proposed home care service, before the service is rendered to the client; thereby ascertaining the level of insurance coverage beforehand.

3.3.3 Regional Health Authorities

In Canada, the Ministry of Health works with regional health authorities to ensure proper provision of health care services to the population living in each region. The local health authorities are responsible for assessing the health needs in their region, designing programs for delivering the care and ensuring that the programs are well funded and managed. Regional health authorities are publicly funded. They employ a workforce of doctors, nurses and an array of health professionals. Regional health authorities’ responsibilities include provision of home care support. They hire, train, provide insurance and bonding for home support staff, assess clients’ needs, schedule the number of support hours a patient qualifies for, and arrange for home support staff to provide care. If there is a shortfall of staff, they may hire nurses and caregivers from full-service private nursing agencies. If a client needs more care than determined through set policies, the client will need to move into a caring facility where care can be provided more economically.

There is a general shortage of capacity across the board. Health authorities are increasingly struggling to deliver the expected quality of care, partly due to the shortage of hospital beds, nursing homes and home care staff.

3.4 Collaborators

The strength of Caregaroo’s product lies in the underlying mechanism in building trust, using the customer’s own social network. As such, obvious collaborators are today and tomorrow’s leading providers of social network platforms. That includes Facebook, LinkedIn, and Twitter, but may include other social media where users can communicate with each other, such as YouTube, Flickr and Skype in order to create an immersive communication platform.

Most these services have well-managed developer relations programs to help companies like Caregaroo develop for their platforms. At a later stage, when Caregaroo has a growing user base, the management team will move to formalize the relationships and negotiate special concessions and specific technical support.
Technology partners aside, many other industry players can be potential collaborators for Caregaroo. Destination websites like Care.com and SitterCity.com are direct competitors and would not be suitable collaborators. However, full-service nursing agencies, in particular franchising brands such as Nurse Next Door, could be motivated to expand their portfolio of services to include an economical online alternative to their brick and mortar services. Caregaroo could benefit from brand name recognition that Nurse Next Door has developed, and Nurse Next Door can benefit from the growth generated through an online product expansion. Oodle Marketplace could be another potential partner, where Caregaroo’s customized solution to the jobs classified vertical fits within Oodle’s generic online-classified platform.

### 3.5 Industry Value Chain

Current players in the industry, such as Care.com, allow caregivers and care seekers bypass the brick and mortar agency as the intermediary (see Figure 3-1). On Care.com, the care seeker plays a more active role in searching, screening and identifying candidates. As indicated in Figure 3-2, Care.com online platform plays the role of the facilitator between the caregivers and care seekers, by providing an online space for each to describe what they can offer or what they are looking for. By removing the agency intermediary, the online marketplace service drives down costs and pass on a percentage of the savings to the care providers and care seekers. Care.com operates on a subscription basis.

Caregaroo will modify the industry value chain as depicted in Figures 3-3 and 3-4. Friends play a significant role in value chain. The service is free for most users. Those who choose to use the premium services will pay a nominal fee.
Figure 3-1 Full-service Agency Industry Value Chain (Author, 2011)

Figure 3-2 Current Online Caregiver Job Search Industry Value Chain (Author, 2011)

Figure 3-3 Caregaroo Free Service Modified Value Chain (Author, 2011)

Figure 3-4 Caregaroo Premium Service Value Chain (Author, 2011)

Figure 3-4 above, is a depiction of Caregaroo’s revenue generation model. On a monthly basis, this business plan projects that about 3% of total the users will spend $20 per month on Caregaroo’s value-add premium features.
3.6 Competitive Analysis

This section of the document presents an in-depth competitor’s analysis for three of the most direct competitors: Care.com, Craigslist, and Oodle’s Facebook Marketplace.

3.6.1 Care.com

Established in 2006, Care.com provides an online database of all types of caregivers such as baby-sitters, nannies, elderly care, pet-sitters as well as tutors. Care.com charges care seekers a subscription fee. The service is provided free of charge to all caregivers. Its high site traffic metrics could be partly attributed to the wealth of content it provides. A panel of experts and advisors, on all matters relating to childcare, elderly care, and general family care, provide daily advice, insights and public education content. Care.com ranks 1,290 on the list of most visited Internet sites.

Care.com claims one million registered caregivers in its database. The site’s initial focus was on babysitters and later expanded into pet-sitters, elderly care, as well as tutoring. It is currently operating in the US, but is has unveiled marketing plans to roll out its services to the UK and Canada. Care.com’s success is partly due to its corporate programs with clients such as the US Department of Defence, to provide its services to military families.

The business model is based on subscription for care seekers, which hinders growth. There is no exclusive agreement between listed caregivers and the site. In fact, most caregivers list their services on many sites hoping to expand their market exposure. Care.com has been slow to adopt new technologies and online business models. Over the five years of its operation, there have been little improvements or innovations on the service, and is likely to be laggard in this respect.

Care.com’s response to Caregaroo will likely initially be dismissive. Once Caregaroo establishes a user base approaching that of Care.com, Care.com is likely to implement similar features. In order to compete with Care.com and other industry players, Caregaroo will continue to innovate and improve the service offering using latest technology trends in order to stay ahead of the innovation curve.

Caregaroo adopts a strategy of differentiation as defined by Michael Porter in his book, competitive strategy, in order to compete with Care.com (Figure 3-5). The differentiation strategy gives Caregaroo a competitive edge against Care.com, which focuses on care-giving jobs, however, provides a different set of customer benefits and value. (Porter, 1980)
3.6.2 Facebook Marketplace by Oodle

Oodle is the second largest online classified ads provider. Oodle’s Facebook Marketplace app utilizes social networks to provide general marketplaces for sale of consumer goods, real estate, rentals as well as jobs. In the recent months, Oodle has partnered with online rental companies such as 4rent.com to add their database of rentals to its site, in exchange for social features. Oodle is fully embracing online social trends and is implementing additional features to boost its social offering.

In competing with Oodle’s Marketplace, Caregaroo adopts the generic strategy of focus. A focus strategy allows Caregaroo to provide a customized product that meets the specific needs of the jobs classifieds vertical.

![STRATEGIC ADVANTAGE](image)

*Figure 3-5 Porter’s Generic Strategies (Porter, 1998)*

3.6.3 Consumer Value Matrix

In conducting a competitive analysis, it is important to keep the consumer in mind. Comparing the product to the competitors’ product can lead to deviating attention from what counts most, the consumers and their needs. The following strategy map identifies the factors most important to the consumers, and compares Caregaroo’s product against the competition.

In Table 3-1, “availability” refers to the level of availability of caregivers and care-giving jobs. Care.com emphasizes the number of registered caregivers in its database. However, the caregivers are located in a large geographic area and in reality may not be available. Caregaroo, however, emphasizes personal connections, which are more likely to be in close geographic proximity.

Availability also refers to ease of access, for example, Care.com is primarily a destination website, and in order to use the service, the consumer must visit the site. In
comparison, Oodle makes its database available not only on its destination website, Oodle.com, but also on Facebook Marketplace app, as well as servicing the classified ads sections of many media sites such as NYTimes.com. In a similar fashion, Caregaroo seeks to provide its data ubiquitously though partnerships with strategic websites.

<table>
<thead>
<tr>
<th>Table 3-1Consumer Value Matrix (Author, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Availability</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Ease of Use</td>
</tr>
</tbody>
</table>

Trust is the key competitive advantage for Caregaroo. The word-of-mouth recommendations and referrals of jobs and candidates by friends and connections create a level of trust that is unparallel in the market.

Value refers to the value provided to the consumer. If two products provide the same value, the product with higher price offers a lower value-for-money to the consumer. Care.com rates lowest on this axis because of its subscription wall, requiring an upfront commitment before any of its services are accessible. In contrast, Oodle and Caregaroo provide basic service free-of-charge, and provide premium services for a fee.

Ease-of-use refers to simplicity of the user interface. Caregaroo seeks to make ease-of-use another key competitive advantage, through streamlined user interface designs and simplified user flows.

3.6.4 Competitors SWOT Analysis

The following table provide an analysis of strengths, weaknesses, opportunities and threats for each of Caregaroo’s competitors, Care.com, Craigslist and Facebook Marketplace.

The detailed SWOT analysis in the tables below indicate that, while there are a number of existing competitors and substitute products in this space, a window of opportunity exists for a nimble star-up like Caregaroo to seize the open market opportunity.
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• One million registered caregivers</td>
<td>• Add social network features to existing</td>
</tr>
<tr>
<td>• Established partnerships with corporate</td>
<td>functionality</td>
</tr>
<tr>
<td>customers, e.g. US Military</td>
<td>• Diversify into new vertical markets such as</td>
</tr>
<tr>
<td>• Established relationships with consumer</td>
<td>home services e.g. gardening, decorating,</td>
</tr>
<tr>
<td>brands to provide discount coupons</td>
<td>moving, etc</td>
</tr>
<tr>
<td>• Provides daily content on matters of care</td>
<td></td>
</tr>
<tr>
<td>from a cadre of ‘experts’</td>
<td></td>
</tr>
<tr>
<td>• Well-established process after 6 years of</td>
<td></td>
</tr>
<tr>
<td>operation</td>
<td></td>
</tr>
<tr>
<td>• Focus primarily on childcare, now branching</td>
<td></td>
</tr>
<tr>
<td>into eldercare, pets and tutoring</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consumers concerned about trust, and</td>
<td>• Not taking advantage of the Social trends</td>
</tr>
<tr>
<td>quality of caregivers found online</td>
<td>threatens to leave it behind new entrants</td>
</tr>
<tr>
<td>• Subscription business model is a barrier</td>
<td>• No exclusive relationship with its registered</td>
</tr>
<tr>
<td>to building up a larger user base</td>
<td>caregiver allows caregivers to also work through</td>
</tr>
<tr>
<td>• Little differentiation with other niche</td>
<td>the competition sites such as Sittercity.com</td>
</tr>
<tr>
<td>market players, e.g. sittercity.com</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3-3 Craigslist SWOT Analysis (Author, 2011)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
</table>
| - Well-established market leader in online classified ads  
- Household brand recognition  
- Generic simple to use product  
- Free service for most postings | - Continue market leadership by introducing value add features, for example personal profiles.  
- Add social network features to take advantage of word-of-mouth references and referrals |

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
</table>
| - No profile information available on the person posting or responding to a post  
- No safety features such as background checks, reviews, ratings  
- Underlying technology has not changed since inception | - Not innovating on functionality threatens to leave it behind new entrants |

### Table 3-4 Facebook Marketplace (by Oodle) SWOT Analysis (Author, 2011)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
</table>
| - Market leader classified ads aggregator  
- Established relationships with Media sites to serve online classified ads section of the site  
- Strategic partnership with Facebook on the Facebook Marketplace product  
- Taking advantage of social trends on Internet  
- Second market leader in online classified, after Craigslist | - Take advantage of relationship with Facebook to build exclusive features on FB Marketplace |

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
</table>
| - Lack of focus despite small size of the company  
- User interface difficult to use | - The online-classified market is very competitive. Oodle needs to differentiate its product from incumbent, Craigslist and new comers such as Kijiji |
3.6.5 **Competitor Feature Matrix**

The following tables provide feature matrices for Caregaroo and its competitors. Table 3-5 focuses on Care Seekers and table 3-6 on Caregivers.

<table>
<thead>
<tr>
<th>Feature Matrix</th>
<th>Caregaroo</th>
<th>Care.com</th>
<th>FB Marketplace</th>
<th>Craigslist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create profile</td>
<td>free</td>
<td>free</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Invite friends</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Post a job</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>Promote job posting</td>
<td>paid</td>
<td>paid</td>
<td>paid</td>
<td>paid</td>
</tr>
<tr>
<td>Search for Caregivers</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>View Caregiver connections to you</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>View Caregiver credentials</td>
<td>free</td>
<td>free</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>View Caregiver availability</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Message Caregivers</td>
<td>free</td>
<td>paid</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Recommendations from friends</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>View Caregiver reviews, ratings</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>View Caregiver criminal check record</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>On-call requests</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Exchange care with other Care Seekers</td>
<td>free</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Help a friend</td>
<td>free</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Access via destination site</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>Access via Facebook</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Access via mobile app with geolocation</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Expert advice and content</td>
<td>x</td>
<td>free</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Discount coupons for consumer goods</td>
<td>x</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

As indicated in Table 3-5, many of the features provided by Caregaroo are not available on Craigslist, Facebook Marketplace and Care.com. In addition, Caregaroo eliminates some of the features provided by Care.com, which are not in line with the strategic direction of the product, such as “expert advice”. Elimination of these features reduces costs.

In a similar manner, Caregaroo provides more value to caregivers than the competing products, as indicated in Table 3-6. In addition, basic service is free. This is an important strategic decision, which will allow the customer base to grow quickly.
Table 3-6 Caregivers’ Feature Matrix (Author, 2011)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Caregaroo</th>
<th>Care.com</th>
<th>FB Marketplace</th>
<th>Craigslist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create profile</td>
<td>free</td>
<td>free</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Invite friends</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>List services, credentials, availability</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>Search job postings</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>See your connection to Care Seeker</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Contact Care Seeker</td>
<td>free</td>
<td>paid</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>Request reviews, ratings from employers</td>
<td>free</td>
<td>free</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Recommend a friend for a job</td>
<td>free</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Request a friend to provide testimonial</td>
<td>paid</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Request a criminal record check</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Use calendar tool to schedule jobs</td>
<td>paid</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>On-call feature</td>
<td>paid</td>
<td>paid</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Access via destination site</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>free</td>
</tr>
<tr>
<td>Access via Facebook app</td>
<td>free</td>
<td>x</td>
<td>free</td>
<td>x</td>
</tr>
<tr>
<td>Access via mobile app with geolocation</td>
<td>free</td>
<td>free</td>
<td>free</td>
<td>x</td>
</tr>
</tbody>
</table>

### 3.6.6 Pricing Model Comparisons

Table 3-7 below provides a comparison of consumer prices for Caregaroo and its direct competitors as well as substitute products.

Table 3-7 Consumer Price Comparisons (Author, 2011)

<table>
<thead>
<tr>
<th>Option</th>
<th>Payment Model</th>
<th>Cost</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Placement Agencies</td>
<td>Membership</td>
<td>$500-$5,000</td>
<td>Lifetime</td>
</tr>
<tr>
<td>Newspaper Classifieds</td>
<td>Per Listing</td>
<td>$85-$200</td>
<td>1-2 days</td>
</tr>
<tr>
<td>CareerBuilder.com</td>
<td>Per Job Posting</td>
<td>$420</td>
<td>60 days</td>
</tr>
<tr>
<td>Care.com</td>
<td>Subscription</td>
<td>$35</td>
<td>30 days</td>
</tr>
<tr>
<td>Craigslist.com</td>
<td>Per Job Posting</td>
<td>$0-$75</td>
<td>30-45 days</td>
</tr>
<tr>
<td>Marketplace (Oodle)</td>
<td>Freemium: free basic + subscription for paid service</td>
<td>Free for Basic User $25-$349 Per Month for Business User</td>
<td>30 days</td>
</tr>
<tr>
<td></td>
<td>Freemium: free basic, micro transaction for premium features</td>
<td>Free for Basic User (or $0.60 per User)</td>
<td>30 days</td>
</tr>
<tr>
<td>Caregaroo</td>
<td>Freemium: free basic, micro transaction for premium features</td>
<td>Paid User Monthly Avg $20 for Paying User</td>
<td>30 days</td>
</tr>
</tbody>
</table>
As Table 3-7 indicates, Caregaroo provides the most economical solution in comparison with its competitors. The financial projections in chapter 9 assume that about 3% of total users will spend $20 on average per month on premium services. This indicates $0.60 average monthly spend per user.

### 3.7 Strategic Grouping Map

Figure 3-6 provides an illustration of the industry players’ strategic grouping. One of the key differentiators in comparing the industry players is Trust. On the low end of the scale is services like Craigslist where no pre-screening is taking place and the candidates are complete unknowns. On the high end of the scale are full-services agencies and long-term caring facilities where the caregivers undergo a complete screening process before they are hired. Caregaroo is also high on this axis because of the dynamics of word-of-mouth referrals from friends. Other online caregiver search sites such as Care.com sit in the middle of the scale. While these sites provide an array of features such as recommendations and reviews from previous employers, these reviews cannot be trusted because the identity of the reviewer cannot be verified.
The second most salient factor in differentiating the various competitors is price. Craigslist provides online listings for $0-$75 depending on location. Online sites such as Care.com operate based on a subscription fee. Private full-service nursing agencies and nursing homes can charge premium market rates for their services. Caregaroo provides basic service free and offers premium service for a nominal fee.

### 3.8 Key Success Factors

This section of the document identifies the key success factors for a new entrant in this industry:

- Build trust for care seekers as to the quality and fit of caregivers, using referrals and recommendations through individual’s social network
• Raise the barrier to entry by quickly building up a customer base, through first-mover advantage, and a free basic service and maintain the lead through continuous innovation staying abreast of the emerging technologies and trends

• Allow new caregivers to build credibility despite lack of formal training and prior work experience, through online reputation

• Build a platform for the community to self-serve

• Customers need to have access to the service wherever they are and whenever they need it. The service needs to be available where the customer is, not require the customer to come to the website. Provide ubiquitous online service, not only on the destination website, but also across the Web, on Facebook, mobile phones, iPhone, etc.

• Build a platform that allows other developers build value-adds, for example, customer billing system and integration with insurance companies billing system, etc.

The key success factors identified above form the basis for Caregaroo’s strategic plan. These factors will guide Caregaroo’s product vision.
4: The Product

This chapter explains the market inefficiencies that Caregaroo aims to address, highlighting the shortcomings of existing solutions. The chapter explains how and why the product works, including a customer-centric quantification of the user benefits.

4.1 The Market Need - Finding Caregivers

While people are willing to help their family and friends, care-giving duties have consequences that can negatively affect caregivers’ work, health and family. One national study on women and care-giving highlighted the conflicting demands of work and eldercare. The study found that: (Metlife, 1999)

- 33% of working women decreased work hours
- 29% passed up a job promotion, training or assignment
- 22% took a leave of absence
- 20% switched from full-time to part-time employment
- 16% quit their jobs
- 13% retired early

In order to avoid adverse effects of caring for a family member, the primary caregiver needs respite. They need a support system of other caregivers who can help with the workload. Unfortunately, many families avoid looking for help because it can be costly or reliable or both.

Currently, when a family needs extra help with looking after an aging parent, they have several options. First, they can take the hiring process into their own hands. They can create a job posting in a local newspaper or an online-classified website, such as Craigslist, and receive applicants. In order to screen the candidates, the family will need to spend time to requesting a criminal background check, checking references by calling previous employers, verifying the candidates’ education credentials and finally interviewing the candidates. This process can be time consuming and, despite the family’s best effort, can be unreliable given that the applicants are complete strangers.

At the other end of the spectrum, the family has the option to engage the services of a full-service agency. Full-service agencies provide qualified, pre-screened, bonded and insured
nurses and non-medical caregivers. This method, however, is costly as sign-up fees can range
$500-$5,000. In addition, the caregivers’ hourly rate is inflated to include the agency’s overhead
costs and profit. As an example, an agency may charge a client $30 an hour for a qualified nurse,
but pay the caregiver only $10 an hour. In addition, the agency does not guarantee the quality of
care their employees provide. In many cases, unreliable caregivers slip through the screening
process. In addition, while the insurance and bonding provided by agencies give the perception of
security, on closer inspection it become apparent that the bonding and insurance coverage only
applies to narrowly defined set of conditions, which still leave the care seeker vulnerable to
potential mistreatment and abuse.

In mid-2000s, online matching services started to disrupt the agency model. These online
matching websites allow caregivers to create an online profile listing their credentials, work
experience and times of availability. Care seekers can search through the database of caregivers,
or post a job and receive applications. The websites provide the ability to request an online
background check. Previous employers can provide reviews and ratings of caregivers. These
database websites operate on a subscription model. In order to contact a caregiver, customers
must subscribe for 1, 3 or 6 months. Fees range from $35 for one month to $140 for an annual
subscription.

While online matching websites have driven costs down by removing the agency
intermediary, customers’ concerns about personal safety hamper growth of the online service.
“How do I know I can trust someone I find online?”, “what if it is a scam?”, “I can’t bring myself
to leave my vulnerable old mother with someone I found online”, are typical concerns expressed
by families. Customers do not know if they are going to receive quality care.

In summary, the shortcomings with existing solutions, combined with a growing market
of seniors, provide a fertile ground for a solution that provides an efficient, trustworthy and
economical alternative to finding care for an aging parent at home.

4.2 Caregaroo Competitive Advantages

Caregaroo provides a product that makes it easy and cost effective to find trustworthy
caregivers. It addresses the main pain points with existing solutions, which are lack of trust, high
cost or high time commitment.
4.3 Customer Benefits and Value

Caregaroo provides the following benefits to the customer:

- Find a caregiver they can trust (for care seekers)
- Find a job with a family they can trust (for caregivers)
- Find out more about the other party by reviewing their online profile
- Build up a positive online reputational capital to help with finding caregivers or jobs in the future
- Give back to the community by referring friends to jobs (for friends)
- Saves time and energy
- Basic service is free
- Save money on agency and subscription fees
- Pay for premium features only if they want the additional service
- A portion of all fees go to charities of customer’s choice

4.4 Unique Selling Points

4.4.1 Trust

In practice, the most reliable avenue for finding trustworthy help is through the word of mouth. Families looking for help ask around within their neighbourhoods, work places, schools, churches, clubs, etc. Families find help through a recommendation from a neighbour, a colleague, or a friend of a friend. A neighbour’s relative may have experience with eldercare and is available a few hours a week. A caregiver, who looked after a colleague’s mother-in-law, may come highly recommended. A retired relative of a friend may have a car and be willing to provide a ride to the doctor’s office. Caregaroo aims to recreate a similar word-of-mouth recommendation dynamic in the digital medium. Utilizing the individual’s web of friends and social connections, Caregaroo provides an online forum for families to request and find help.

Caregaroo builds more trust between the family and the caregiver and improves the quality of service delivered, while lowering costs. Caregaroo creates trust by utilizing the individuals’ social web of people to whom they are connected. In the social web, people are known entities with publicly accessible histories. In the social web, everyone is connected to
others through a network that speaks to who they are and what they are like. Caregaroo leverages this environment to find recommendations.

Anonymity used to be a form of safety in the online space. With adoption of online social networks, the nature of online safety has changed. The more you know about others, the safer the online experience becomes. Through anonymity, individuals could avoid the consequences of bad behaviour. Social networks, on the other hand, enforce good behaviour, through peer pressure. For example, LinkedIn members are discouraged from faking credentials or work experience for the fear that people who know them will call out their lie. LinkedIn relies on the network to keep its own members honest.

Another mechanic for building trust is the community review. An example of a community review is the aggregate user-reviews on a restaurant, which can paint a more honest picture than a report provided by a single critic. In a similar way, a caregiver who has received positive reviews from her prior clients is more reliable than someone who is recommended by a single nursing agency. Online communities put the onus on the community, not on an authoritative agent, to identify the good players from the bad ones. Surowiecki described this form of community wisdom in his book titled “The Wisdom of Crowds”. Yelp and e-bay utilize this form of community review. E-bay provides user-ratings for individuals within the context of trading. There are no general rating systems available for individuals, much less for individuals operating in the in-home care-giving industry. Caregaroo will provide this online service. (Surowiecki, 2005)

4.4.2 Fast and Easy

Unlike self-managed recruiting methods, which require time to screen each of the unknown candidates, Caregaroo utilizes the community to screen potential caregiver. Each member of the community contributes a little time when they join the network, invite their friends, and recommend a candidate. This community dynamic lowers the time commitment on any individual family and spreads the workload on the larger network community.

4.4.3 Price

Caregaroo provides basic search and find service free of charge. This beats not only high service costs of full-service nursing agencies, but also the subscription model of online matching websites. Caregaroo generates revenue though offering premium services for a fee. The premium services will provide value to create an incentive for the customer to purchase.
4.4.4 Charities

Caregaroo will collaborate with charities for mutual benefit. Caregaroo will donate a percentage of revenues to partner charities. Members of charity are encouraged to join the Caregaroo network. This will extend the network of like-minded members on Caregaroo, and will encourage those who want to donate their time to a worthy cause to engage in the network. Caregaroo provides a safe online space for people to give back to their community.

4.5 Screen Mock-ups and Use-case Scenarios

Refer to appendices B and C for sample screen mock-ups and typical use-case scenarios. The screen mock-ups and use case scenario indicate the ways in which social tools will be used to encourage recommendations and referrals from friends and members of the community.
5: Market Segmentation & Sizing

This chapter looks at market segmentation and sizing. The project identifies three categories of customers. The first category of customers is the ultimate end users of the service who are the seniors in need of home care. The second category is the children, relatives or friends of the seniors who are the direct users of Caregaroo service, when looking for home care for the seniors. The final category is the caregivers providing home care. The project analyses the needs and the profiles of each customer category based on four key segmentations: demographic, psychographic and behavioural. Using demographics data and other sources, the project estimates the size of each segment.

5.1 Customer Descriptions

5.1.1 The seniors

The first category are the seniors (people 65 years old or older) who are too frail to live independently but wish to live at home rather than move into a facility. Customers in the seniors’ category need help in the activities of daily living including at least one of the following activities: companionship; personal care; grocery shopping and meal preparation; work in and around the house; nursing and more.

This group is the end user of the service, ultimately receiving care. However, even though they are not direct users of Caregaroo, they have a significant influence on the purchase decision. While they may be frail, often they have strong opinions about their caregivers and the methods used to find new ones.

The common perception is that seniors are not comfortable with technology and the ways in which technology can help improve their lives. Recent studies prove otherwise. A 2009 Forrester Research study reports, “the online behaviour of today's seniors provides consumer product strategists with fertile ground for the establishment of an effective and lasting online senior strategy.” A Pewet report published in 2010 suggests, “while the youngest generations are still significantly more likely to use social network sites, the fastest growth has come from internet users 74 and older: social network site usage for this oldest cohort has quadrupled since 2008, from 4% to 16%”. Thirty six percent of Matures (66-83) maintain a Facebook profile, and
this number has been increasing rapidly. This may come as a surprise, but grandparents are finding that Facebook is where they can get updates from their children and grandchildren. In addition, 58% of adults ages 65-73 (the Silent Generation) and 30% of adults age 74 and older (the G.I. Generation) go online. (Lussanet, 2009) (“Generations 2010”, 2010) (“Babyboomers Get Connected With Social Media”, 2010)

The Caregaroo marketing plan includes specific initiatives to ease the seniors’ fears and encourage them to engage in the process.

In 2011, the oldest baby boomers reached their retirement age of 65. As the population bulge of baby boomers age, there will be a rapid growth of the seniors’ population category. However, demanding and rebellious in earlier phases of their lives, baby boomers are now redefining the meaning of senior citizenship. For example, they are likely to be healthier and fitter than their parents were at their age, and they do not want to be reminded that they are getting older. In fact, marketers are coining new terminology to refer to this cohort. Terms such as ‘elderly’, ‘seniors’ and ‘retired’ are giving way to ‘active adults’ and ‘boomers’. Marketing to the new aging generation will be different from the past. (Byron, 2011)

The following table provide estimated size of this market segment, using demographic data and assumptions about the rate of disability and Caregaroo market penetration.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 45-64 in Canada</td>
<td>9,822</td>
<td>9,896</td>
<td>9,770</td>
<td>10,045</td>
<td>10,120</td>
<td>12,144</td>
<td>14,573</td>
<td>17,487</td>
</tr>
<tr>
<td>Age 65-74 in Canada</td>
<td>2,679</td>
<td>2,699</td>
<td>2,719</td>
<td>2,740</td>
<td>2,760</td>
<td>3,512</td>
<td>3,575</td>
<td>4,770</td>
</tr>
<tr>
<td>Age 75+ in Canada</td>
<td>2,295</td>
<td>2,312</td>
<td>2,330</td>
<td>2,347</td>
<td>2,365</td>
<td>2,838</td>
<td>3,405</td>
<td>4,086</td>
</tr>
<tr>
<td>Disabled 45-64 in Canada (5%)</td>
<td>491</td>
<td>491</td>
<td>495</td>
<td>498</td>
<td>502</td>
<td>603</td>
<td>723</td>
<td>868</td>
</tr>
<tr>
<td>Disabled 65-74 in Canada (25%)</td>
<td>670</td>
<td>670</td>
<td>675</td>
<td>680</td>
<td>685</td>
<td>822</td>
<td>986</td>
<td>1,194</td>
</tr>
<tr>
<td>Disabled 75+ in Canada (60%)</td>
<td>1,377</td>
<td>1,377</td>
<td>1,387</td>
<td>1,398</td>
<td>1,408</td>
<td>1,690</td>
<td>2,028</td>
<td>2,433</td>
</tr>
<tr>
<td>Age 45-64 in US</td>
<td>78,057</td>
<td>78,838</td>
<td>79,628</td>
<td>80,422</td>
<td>81,226</td>
<td>87,472</td>
<td>116,966</td>
<td>140,359</td>
</tr>
<tr>
<td>Age 65-74 in US</td>
<td>20,122</td>
<td>20,323</td>
<td>20,526</td>
<td>20,752</td>
<td>20,959</td>
<td>25,127</td>
<td>30,152</td>
<td>36,183</td>
</tr>
<tr>
<td>Age 75+ in US</td>
<td>19,396</td>
<td>19,590</td>
<td>19,788</td>
<td>19,984</td>
<td>20,184</td>
<td>24,220</td>
<td>29,064</td>
<td>34,877</td>
</tr>
<tr>
<td>Disabled 45-64 in US (5%)</td>
<td>3,903</td>
<td>3,842</td>
<td>3,981</td>
<td>4,021</td>
<td>4,061</td>
<td>4,674</td>
<td>5,488</td>
<td>7,018</td>
</tr>
<tr>
<td>Disabled 65-74 in US (25%)</td>
<td>5,031</td>
<td>5,081</td>
<td>5,132</td>
<td>5,183</td>
<td>5,235</td>
<td>6,282</td>
<td>7,598</td>
<td>9,046</td>
</tr>
<tr>
<td>Disabled 75+ in US (60%)</td>
<td>11,638</td>
<td>11,754</td>
<td>11,872</td>
<td>11,990</td>
<td>12,110</td>
<td>14,532</td>
<td>17,439</td>
<td>20,926</td>
</tr>
<tr>
<td>Total Canadian Market</td>
<td>2,558</td>
<td>2,558</td>
<td>2,557</td>
<td>2,576</td>
<td>2,595</td>
<td>3,124</td>
<td>3,737</td>
<td>4,485</td>
</tr>
<tr>
<td>Total US Market</td>
<td>20,571</td>
<td>20,777</td>
<td>20,984</td>
<td>21,194</td>
<td>21,408</td>
<td>25,667</td>
<td>30,825</td>
<td>36,990</td>
</tr>
<tr>
<td>Total North American Market</td>
<td>23,109</td>
<td>23,335</td>
<td>23,541</td>
<td>23,770</td>
<td>24,002</td>
<td>28,802</td>
<td>34,562</td>
<td>41,475</td>
</tr>
<tr>
<td>Market Penetration Rates</td>
<td>0.01%</td>
<td>0.10%</td>
<td>0.30%</td>
<td>1.50%</td>
<td>3.50%</td>
<td>7.00%</td>
<td>11.00%</td>
<td>15.00%</td>
</tr>
<tr>
<td>Total Number of Users</td>
<td>2</td>
<td>23</td>
<td>71</td>
<td>357</td>
<td>840</td>
<td>2,016</td>
<td>3,802</td>
<td>6,221</td>
</tr>
</tbody>
</table>
5.1.2 The Care Seekers

The children of the seniors are the direct users of the online service. This customer group is aged 35 – 50. Gen X (34-45) and young boomers (46-55) are comfortable with going online. According to a Pew Research Centre study conducted in 2010, 86% of Gen X and 81% of young Boomers go online on a regular basis. This cohort is also likely to use social networking sites. Facebook demographics show that a full 50% of US visitors to Facebook are 35+, and nearly 46% maintain a Facebook profile. ("Visitor Demographics to Facebook.com", 2010)

Members of this customer category belong to the ‘sandwich generation’, a generation of people who care for their aging parents while supporting their own children. This puts stress on the lives of the individuals and their families.

Caregaroo targets customers who are not currently using any of the competitors’ online matching websites, because they do not trust the results. Existing users of competitors’ sites, who are either dissatisfied or not fully satisfied, also fit in the target segment.

5.1.3 Caregivers

Caregivers are a wide segment of users. This project considers the following categories of caregivers:

5.1.3.1 Untrained Caregivers

The first group is the untrained caregivers in need of a job who do not have any formal education or training in the field of care-giving but have the prerequisites for the job, such as compassion, reliability and responsibility. Example of members of this group of caregivers are students in need of a casual job while they study, healthy retirees wanting to give back to the community while making some cash, new immigrants who don’t have formal training but may have performed care-giving in the past.

5.1.3.2 Trained Home Caregivers

The second group of caregivers have some formal training in non-medical homecare, care aide, or personal support, and prefer to work independently, rather than commit to a fulltime job at a hospital or a full-service nursing agency.
5.1.3.3 Certified Health Caregivers

The final group are qualified medical and non-medical caregivers such as registered nurses, physiotherapists, massage therapists, and other professionals who work independently because they prefer the flexibility of working hours, and the lifestyle that comes with managing your work schedule. This group consists of retired professionals as well as young graduates wanting work/life balance.

5.2 Future Customer Segments

Given that the underlying mechanism of finding care for a senior family member is very similar to looking for other types of home care such as childcare and pet care, this project plans for expansion into the complementary markets.

Table 5-2 indicates the projected market size for childcare in North America. In 2012, the total number of children in North America is estimated at 22 M children age 0-4, and 22 M children age 5-9. The document assumes that 50% of children age 0-4 and 80% of children age 5-9 need sitters on a frequent basis. It is also assumed that Caregaroo will have a market penetration of 0.1% in 2012. Based on these assumptions, the total childcare market size for Caregaroo in 2012 is projected at 28,000 users. That figure for 2018 increases to 3.1 M.

Table 5-2 Market Size: Child Population in North America (1,000s) (Author, 2011)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Children Age 0-4 in Canada</td>
<td>1,929</td>
<td>1,929</td>
<td>1,929</td>
<td>1,929</td>
<td>1,929</td>
<td>2,082</td>
<td>2,082</td>
<td>2,082</td>
</tr>
<tr>
<td>Children Age 5-9 in Canada</td>
<td>1,823</td>
<td>1,823</td>
<td>1,823</td>
<td>1,823</td>
<td>1,823</td>
<td>2,021</td>
<td>2,021</td>
<td>2,021</td>
</tr>
<tr>
<td>Children Age 0-4 in US</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Children Age 5-9 in US</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Total North American Children 0-4</td>
<td>21,529</td>
<td>21,529</td>
<td>21,529</td>
<td>21,529</td>
<td>21,529</td>
<td>22,082</td>
<td>22,082</td>
<td>22,082</td>
</tr>
<tr>
<td>Total North American Child 5-9</td>
<td>21,823</td>
<td>21,823</td>
<td>21,823</td>
<td>21,823</td>
<td>21,823</td>
<td>22,021</td>
<td>22,021</td>
<td>22,021</td>
</tr>
<tr>
<td>Percentage of Children 0-4 Needing Sitters</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Percentage of Children 5-9 Needing Sitters</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Market Penetration</td>
<td>0.01%</td>
<td>0.10%</td>
<td>0.30%</td>
<td>1.50%</td>
<td>3.50%</td>
<td>7.00%</td>
<td>11.00%</td>
<td></td>
</tr>
<tr>
<td>Total Number of Users</td>
<td>-</td>
<td>3</td>
<td>28</td>
<td>85</td>
<td>426</td>
<td>1,003</td>
<td>2,006</td>
<td>3,152</td>
</tr>
</tbody>
</table>
6: Marketing Plan

The marketing mix is composed of four elements, product, price, promotion and place. This chapter explains the marketing plan by exploring each of the Marketing Mix four p’s in detail.

6.1 Positioning Message

“Caregaroo is the most personalized and trustworthy way to find caregivers and care seekers amongst all online caregiver-matching services, because the recommendations are based on your own network of friends, family and community.”

6.2 Product

The product considerations go beyond the website, and include all aspects of customer experience in interacting with the company, which can include support, service guarantees, refunds, and complementary products.

Caregaroo introduces a brand new process for finding caregivers and plans to communicate the benefits of the new process to the public to avoid adoption hurdles. One of the key success factors is communication of the benefits of Caregaroo’s product and the new social-based search process. The marketing material will include effective communication of customer benefits. In addition, the company will develop clear and concise usage guides for each category of customers, describing the nature of the service Caregaroo provides and the boundaries of its responsibilities.

Customer support is also an important aspect of customer relationship and deserves particular attention. The support plan includes one full-time customer support associate for every 1,000 customers, and every 100 paying customers. Caregaroo will establish a dialogue with its customers to collect feedback. In addition, Caregaroo will conduct frequent customer satisfaction surveys to gauge level of satisfaction, and will undertake corrective action if necessary.
6.3 Pricing

Online business models are evolving very quickly. In a short few years, many online start-ups and well-established companies have tried different approaches and experimentation continues.

Caregaroo’s business model meets the needs of the business and appeals to its particular customer demographics. One of Caregaroo’s critical success factors is to reach a critical mass of users quickly. The service is effective because of the network effect, which implies that the business model must create an incentive for new users to join the service. Each new registrant will bring value to the system. In order to minimize user acquisition barriers, Caregaroo will provide its basic functionality free. Users can create a profile, invite friends and search for what they are looking for. However, they will be premium service for which they will need to pay. The premium services are designed to make the process of search more effective, creating an attractive incentive for users to pay for the services.

Users pay for each feature per use. For example, background checks, promoting their profiles or jobs on the site, reviewing recommendations, use of the scheduling tool, history of preferred caregivers, and a popular feature called “on-call” which helps families find care, with short notice. This pay-per-use form of payment is referred to as “Micro transactions”, since each transaction can be as small as $0.95.

<table>
<thead>
<tr>
<th>Monthly Price</th>
<th>Caregaroo</th>
<th>Care.com</th>
<th>Oodle Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Revenue per Paying user (ARPPU)</td>
<td>$20</td>
<td>$35</td>
<td>$25-$349</td>
</tr>
<tr>
<td>Payment Model</td>
<td>Micro-transactions</td>
<td>Subscription</td>
<td>Subscription (bronze, silver, gold)</td>
</tr>
</tbody>
</table>

Table 6-1 Care Seekers’ Feature Matrix (Author, 2011)

6.4 Promotion

Caregaroo is an exclusively online product and will be promoted using online promotion channels as follows:

- Make use of search engine optimization strategies to rank high by all major search engines
• Buy Google AdWords targeted for effective keywords including geographic location, times of display, demographic, and other target segmentation criteria

• Engage and maintain a dialogue with current and potential customers on all major social media channels such as Facebook, Twitter, YouTube

• Build a relationship with leading content and blogging sites targeting senior health care, such as care.com

• Design for an effective opt-in email list and make use of email marketing to reach registered customers with timely and helpful information

In addition to online marketing initiatives, Caregaroo plans for promotions in traditional channels such as local papers, radio and magazines. The company will organize outreach programs and information seminars in local community centres, churches, schools, immigration centres, and job centres. All marketing initiatives will include target success metrics and the ability to measure effectiveness.

Caregaroo will adopt a discount strategy that waives fees for users who successfully recruit their friends to the Caregaroo community. For example, user fees for conducting a background check may be waived if the user introduces Caregaroo to three of their friends and the invitees join the Caregaroo service. This method of customer acquisition is effective since it offers meaningful value to the consumer. Caregaroo will utilize multiple discount strategies with the goals of rapid customer acquisition.

6.5 Place

The goal of Caregaroo is to be present where the customer needs the service. As such the product will “go” to the customer as opposed to require the customer to “come” to a destination. In other words, access will be provided on a number of platforms including a destination website, widgets hosted on any other website, Facebook app, and mobile app. It will also use text messaging as a means to communicate with the customer.

Caregaroo will support a number of transaction payment methods including credit cards, PayPal, and Facebook Credits. Facebook Credits is a form of proprietary virtual currency available on the Facebook platform. Facebook has mandated all Facebook apps to implement support for the Facebook credits. (Facebook, 2010)
6.6 Market Entry and Growth

Caregaroo will start its operation by launching a Facebook app in April 2011. There are currently no directly competing Facebook apps available. It will focus its marketing effort in Vancouver. It will grow by a continuous improvement program described in chapter 8. The company will closely monitor popularity of each feature, though telemetry, and will engage with the user community in order to find out what features they would like to see developed.

Once the business model is proven, Caregaroo plans to grow its focus beyond elderly care to include childcare and pet care, and eventually include all consumer-to-consumer job types. Caregaroo plan to grow geographically beyond Canada to the US, Europe and rest of the world over the first 5 years of operation.
7: Development Plan

Development of Caregaroo is currently underway. The development team will apply the Agile methodology to product define as well as develop the product. This chapter presents a high-level plan and lays out the timeline for product release and expansion. ("Agile Methodology", n.d.)

7.1.1 Agile Methodology

Agile methodology is a process designed to manage the risk and unpredictability of designing and developing innovative consumer software products that satisfy the consumers’ needs. In essence, the Agile philosophy debunks the “Waterfall” model, used in factory assembly lines, where each stage of development must complete before the next phase can commence. The Waterfall model can lead to the company spending time and money developing a product that nobody wants. In contrast, “Agile methodology attempts to provide many opportunities to assess the direction of the product throughout the development lifecycle”. This is achieved through regular cadences of development that end in a shippable increment of work that can be released to the market. This approach to development greatly reduces both development costs and time to market. More importantly, the Agile development methodology helps the company build the right product, which is highly relevant and popular with the consumers.
7.1.2 Product Timeline

Figure 8-1 represents the planned product development timeline for the first five years of operations.

Phase 1: Product Launch
- Pre-registration
- Facebook App Release
- Minimum Viable Product (MVP) Features
- Viral Marketing Only
- Target 200 Registered Users

Phase 2: Commercialization
- Destination Website Launch
- Premium Services Features
- Advertising Revenue
- Paid Marketing Initiatives
- Target 200 Paying Users

Phase 3: Scale to North America
- Mobile App Release
- Target Major NA Cities
- Extend to Other Care Job Categories
- Target 2,000 Paying Users
- $250,000 Revenue

Phase 4: Product Expansion
- European Market
- Extend to Other Vertical Job Search Segments
- Target 100,000 Paying Users

Phase 5: Mass Market
- 2 million Registered Users
- 250,000 Paying Users

Figure 7-1 Caregaroo Product Timeline (Author, 2011)

7.1.2.1 Phase 1: Product Launch

The Product Launch phase begins in March 2011 and is expected to last three months. The phase starts with a pre-registration period, when viral marketing initiatives will target consumers and encourage them to register their interest in Caregaroo. The objective of this phase is to validate market appetite for the product and to test marketing messaging.

Caregaroo will be first released as a Facebook app that provides the Minimum Viable Product (MVP) features. MVP, as popularized by Eric Reis, is a “strategy for fast and quantitative market testing of product features”, and consists of only the features that allow the product to be deployed and tested in real conditions. (Ries, 2009)

Caregaroo marketing efforts during this phase will be limited to online viral techniques targeting Vancouver residents. The goal is to secure 200 registered users.
During this initial phase, the company will establish the internal processes for iterative product development, release and performance measurement.

7.1.2.2 Phase 2: Commercialization

During the commercialization phase, the company will implement and release revenue generating features, namely premium features and partnering with advertising providers. In order to help cover the costs of the commercialization phase, the company is planning to raise seed money from their own savings, their family and their friends (FFF).

The objective of this phase of development is to prove feasibility of the business model. The goal is to secure 200 paying customers during a 6-month period.

7.1.2.3 Phase 3: Scale to North America

Assuming that commercialization goals of phase 2 are achieved, the company will move ahead with a round of financing from Angel investors to help scale the business to the rest of North America in year 2 of operations. During phase 3, the company plans to expand the product to include other categories of care-giving jobs, such as childcare and pet care. Marketing efforts will target a number of the major cities in North America. The goal of this phase is to secure 2,000 paying customers, and reach $250,000 revenue in the fiscal year.

7.1.2.4 Phase 4 and 5

It is difficult to accurately plan the best course of action beyond 3 years into the future given the fast pace of change in the Internet consumer products industry. However, current plans include expansion of Caregaroo product to address the job search industry beyond care-giving jobs. Caregiver competitive advantages, including trust and low cost, can equally benefit other casual consumer-to-consumer jobs where trust and reputation is a key success factor.

The company hopes to reach mass market with close to 30 M active users, 250,000 paying users and revenues of over $35 M by year six of operations.
8: Executive Team

Caregaroo brings three core competencies to the table, which are essential components of its competitive advantage. First, Caregaroo’s CMO has a long professional career in the caregiving industry and brings deep insights into the needs of the customer and the tried and tested marketing strategies. In-depth knowledge of the customers’ needs is an essential success factor. Combining this knowledge with a humanitarian passion for serving the community, is the driving force behind Caregaroo. This passion arises from the founders’ many years of personal experience with their own family members in need of home care.

The second competency that the company brings forward is that of technology, in particular social networking and online community building technology and trends. The CTO and CIO have many years of experience developing online solutions for major brand names such as Electronic Arts. The rate of technology change is constantly increasing. The core competency to harness the new technologies in solving real customers’ needs is another competitive advantage of Caregaroo.

Finally, the CEO brings many years of experience building successful technology-based online businesses with high profitability. There has been much innovation in online business models and online start-up companies continue to experiment in this area. One of the key success criteria is the ability to define an innovative business model for monetizing Caregaroo’s product, which balances the competing forces for building a customer base and generating profits. In achieving this goal, a broad experience in existing online business models and the new trends is essential.
9: Financial Forecasts

9.1 Sources of Financing

The company plans to raise $150,000 seed money from its founders, their family and friends in late 2011, through sale of shares at $0.1 per share.

In early 2012 when the core product has been in operation for a number of months and the business model has been proven – through securing a few hundred paying customers – the company plans to raise $350,000 equity financing from Angel investors in the form of preferred stocks sold at $0.25 per share. The company will use this equity to support the company's expansion plans as well as furnish financing to support the marketing of the product.

Additionally, the company is planning for $2M VC equity financing, at $0.50 a share in 2013. The company will use this equity to expand the business to a mass-market level.

Table 9-1 Sources of Funding (Author, 2011)

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Round 1: FFF</th>
<th>Round 2: Angel</th>
<th>Round 3: VC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options Pool</td>
<td>$80,000</td>
<td>$850,000</td>
<td>$5,400,000</td>
</tr>
<tr>
<td>Launch</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Prove Business</td>
<td>$1,360,000</td>
<td>$2,450,000</td>
<td>$250K Revenue</td>
</tr>
<tr>
<td>Model</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>$250K Revenue</td>
<td>$1,360,000</td>
<td>$2,450,000</td>
<td>$250K Revenue</td>
</tr>
<tr>
<td>$25M Revenue</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>
9.2 Sources of Revenue

Revenue is generated through a number of methods including selling ads, selling premium services and signing up sponsorships.

9.2.1 Selling Ads

The types of ads sold vary with the stage of development. At the start of the business when the product has few users and the visitor traffic is relatively low, advertising efforts is focused on cost per click (CPC). As the number of daily visits grows, Cost per thousand impressions (CPM) may also be utilized. The terms are defined below.

9.2.1.1 CPM (Cost per thousand impressions)

This type of advertising involves selling ad space on the product pages and getting paid per 1,000 views of that ad or essentially per 1,000 times the page is viewed. CPM revenue rates are heavily dependent on traffic levels but can start as low as $.01 per CPM. This form of advertising is only profitable once the customer base has been built up to millions of monthly active users.

9.2.1.2 CPC (Cost per click)

This form of advertising is based on selling ad space and getting paid based on the number of times users click the advertisement on the page. While CPC advertising yields higher rates, ranging from $.20-$6 per click, CPC is dependent on users clicking the ads displayed. The rate of users clicking the ad is referred to at the Click Through Rate (CTR) and can be in the range of 0.05-0.1. CTR can be increased by targeting the ad to the demography, psychography and other characteristics of the viewing users.

CPC is the easiest and most profitable form of advertising for sites with low to medium visitor traffic, and is the form of advertising utilized by Caregaroo in early stages of operation.

9.2.1.3 Sponsorship

The company seeks and develops sponsorship opportunities with consumer brands in alignment with Caregaroo’s customer profile. Such opportunities include promotion of elderly or childcare consumer brands on Caregaroo, through methods such as visual branding of web pages.
9.2.1.4 Premium Services

Caregaroo basic service of creating a profile and posting a job are available for free, however, all the premium services are available for a fee. Premium services are designed to improve the service by adding value to the process, making it safer, easier and more convenient. Identifying premium service is part of the iterative development process, where the product development team quickly designs, develops and releases services and monitors uptake in order to identify the most attractive services to develop further.

Example premium services are profile or job promotions, background checks, video chat, scheduling tool, profile status badges, virtual gifts, among others. Premium services are sold one item at a time, or in bundles at a nominal discount. Items and bundle prices can range between $0.95 and $7.99.

9.3 Pro Forma Financials

9.3.1 Revenue Projections

Table 10-1 presents revenue projections from the various sources of revenue generation. Starting with the market penetration estimates in each year of operation, the project calculates the annual revenue generated from premium services, CPC and sponsorship advertising. The project makes a number of assumptions:

1. For each care seeker there are two casual caregivers available
2. 50% of total users visit the site every month and view an average of 3 pages each
3. 3% of users opt in for premium services and will spend an average of $20 per month
4. A click through rate (CTR) of 1% and cost per click (CPC) rate of $0.50 is assumed
5. Sponsorship rate of 10% of monthly views at a rate of $0.5 can be achieved
Table 9-2 Revenue Projections (Author, 2011)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CareSeekers</td>
<td>2</td>
<td>23</td>
<td>44</td>
<td>68</td>
<td>99</td>
<td>1,266</td>
<td>3,019</td>
<td>5,808</td>
<td>9,374</td>
</tr>
<tr>
<td>Total Caregivers</td>
<td>5</td>
<td>47</td>
<td>198</td>
<td>884</td>
<td>2,533</td>
<td>6,038</td>
<td>11,616</td>
<td>18,747</td>
<td></td>
</tr>
<tr>
<td>Total Users</td>
<td>7</td>
<td>70</td>
<td>297</td>
<td>1,325</td>
<td>3,799</td>
<td>9,057</td>
<td>17,424</td>
<td>28,121</td>
<td></td>
</tr>
<tr>
<td>Monthly Active Users</td>
<td>50%</td>
<td>3</td>
<td>35</td>
<td>149</td>
<td>663</td>
<td>1,900</td>
<td>4,529</td>
<td>8,712</td>
<td>14,060</td>
</tr>
<tr>
<td>Monthly Average Number of Pageviews</td>
<td>5</td>
<td>10</td>
<td>105</td>
<td>446</td>
<td>1,988</td>
<td>5,599</td>
<td>13,586</td>
<td>26,136</td>
<td>42,181</td>
</tr>
<tr>
<td>Paying Users (PU)</td>
<td>3.0%</td>
<td>0.104</td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>57</td>
<td>136</td>
<td>261</td>
<td>422</td>
</tr>
<tr>
<td>Revenue from Premium Services (1,000's)</td>
<td>$20.00</td>
<td>$25</td>
<td>$252</td>
<td>$1,070</td>
<td>$4,772</td>
<td>$13,672</td>
<td>$32,607</td>
<td>$62,725</td>
<td>$101,235</td>
</tr>
<tr>
<td>Revenue from Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPC</td>
<td>1%</td>
<td>$0.50</td>
<td>$0</td>
<td>$6</td>
<td>$27</td>
<td>$119</td>
<td>$342</td>
<td>$815</td>
<td>$1,588</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>10%</td>
<td>$0.05</td>
<td>$0</td>
<td>$6</td>
<td>$27</td>
<td>$119</td>
<td>$342</td>
<td>$815</td>
<td>$1,568</td>
</tr>
<tr>
<td>Total Revenue from Advertising (1,000's)</td>
<td>$1</td>
<td>$15</td>
<td>$55</td>
<td>$259</td>
<td>$684</td>
<td>$1,650</td>
<td>$3,136</td>
<td>$5,062</td>
<td></td>
</tr>
<tr>
<td>Total Revenue (1,000's)</td>
<td>$1</td>
<td>$26</td>
<td>$265</td>
<td>$1,128</td>
<td>$5,000</td>
<td>$14,510</td>
<td>$34,378</td>
<td>$68,123</td>
<td>$106,738</td>
</tr>
</tbody>
</table>

Based on these assumptions, Caregaroo expects to generate revenues of $26,000 in the first year of operation growing to $14.4 M in year five.
10: Exit Strategy

Azra Ventures management believes that within eight years from start of operations, it will be prepared to undertake an IPO, or sell to a strategic buyer. This will depend upon market conditions at that time and the profitability of the company.
11: Risks and Assumptions

Success of any new venture is dependent on validity of the assumptions and mitigation of the inherent risks. Given that the technology and social trends change at a rapid pace, many of the assumptions made may be invalidated and new market events may change the competitive landscape in a short period. The uncertain nature of the market requires an internal process that is based on rapid development and continuous evaluation of product performance.

The Caregaroo business concept depends on a number of risks and assumptions, which are identified below. Careful management of the risks will increase the chances of success.

11.1 Assumptions

The top three assumptions are as follows. The best way to validate these assumptions is to conduct a real-life pilot as is described in the Development Plan chapter.

- People will spend the time to help friends -
  Friends and connections play a key role in the dynamics of Caregaroo product. The assumption is that people are happy to help their friends by referring them to jobs and connecting two people on their network if there is a fit. In fact, it is necessary for friends to join Caregaroo.

- Frequency of use –
  The average frequency with which a family looks for new caregivers affects the volume of business. Casual care-giving tends to be short-term. Unlike long-term employment contracts, casual caregivers change clients on a more frequent basis. However, this assumption is not based on any empirical data.

- All-encompassing online social networks -
  The Caregaroo product concept is based on recreating the word-of-mouth referral dynamic. For this dynamic to work online, people must recreate their real-life social net on the Caregaroo network, including everyone they know in their neighbours, in their church, in their club, etc. Online social networks are not at that point, yet. The assumption is that the
trends will continue to grow and online social networks will become all-encompassing and invite their own friends to join, even if they do not have any direct care-giving-related needs.

11.2 Risks

The top risks threatening the project are listed below. Identifying the risks allows for proactive monitoring and mitigation planning.

- One of the exiting market players, or a new market entrant, develops a product to directly compete with Caregaroo
- Caregaroo fails to reach the critical mass sufficiently fast in order to be effective
- Caregaroo may run out of financial resources before it has proven effectiveness of the product concept or the business model
- Technology risks associated with scaling up to large number of users hinder growth and give an opportunity for copycats to get ahead

While the identified risks are real and present, through careful and proactive mitigation strategies, the Caregaroo management team can reduce the risks and increases the chances of success of this new venture.
12: Conclusion

Caregaroo is a breakthrough concept in application of social networking trends to create a safe, reliable and cost-effective way for independent caregivers to find jobs caring for the elderly, children, pets and more. The platform allows caregivers and care seekers to tap into their online networks for referrals and recommendations for a suitable match they can trust.

In addition, Caregaroo utilizes the wisdom of crowds through community reviews on caregivers and care seekers. The aggregation of information in groups often results in decisions that are better than could have been made by any single member of the group. Over time, each member of the community develops an online reputational capital that is based on the collective feedback from the members of the Caregaroo community.

The existing solutions for finding care suffer from a number of shortfalls that range from high costs to unreliability of candidates. With the growing population of seniors, the market for finding care is ripe for an innovative solution that addresses the unmet needs of consumers. Just as online social network trends are disrupting industries from search to shopping; Caregaroo is set to disrupt the casual online job search market.

With a strong management team in place bringing many years of expertise to the table, Caregaroo is well positioned to take advantage of an untapped market. Caregaroo product launch phase starts in March 2011 and will initially focus on caregiver job-search market in Canada and US, before widening its scope to include other types of jobs and other geographic areas.

Business growth is expected to rise rapidly after the first year of its operations and the firm will reach revenues of over $14M by the fifth year of its operation, with gross margin projections of 52 percent. The total required capital to take the product from product launch through to mass market is estimated at $2.5M. The investors can expect a return on investment in the order of five to ten times, in approximately five to six years of investment.

Caregaroo identifies an opportunity for a business with significant upside potential for revenue and profit growth, assuming that the stated assumptions and risks are successfully mitigated.
APPENDICES
Appendix A: Product Features

General User

- As a user, I can create a free account by providing:
  - Facebook credentials, or
  - First and last names, mail address, username, password, date of birth
- As a user, I can create a user profile with my information.
  - Basic Info
    - City
    - Date of birth
    - Languages
    - About me
  - Profile picture
  - Education and Work
    - Work
    - College
    - High School
  - Activities and Interests
  - Contact information
    - Address including city, province, postal code, country
    - Primary and alternative phone numbers
    - Email (must be verified), password
    - Intro video
  - Email subscription for news and updates
    - Default to opt-in
- As a user, I can search for jobs that match my criteria. The search results are listed in order of strength of connection to rating, their reviews and me.
- As a user, I can ask my friends to provide a testimonial for me and the family member who needs care. I get a reward when a friend provides a testimonial.
- As a user, I can invite my friends to join the app. My friends on Facebook, Yahoo, Gmail, Linked-in. An invite message is sent. I get a reward if my friends join.
- As a user, I can search for caregivers who match my criteria. The search results are listed in order of strength of connection to me, how recently they logged in, and number of reviews they have.
  - Search criteria:
    - Types of care
    - Location
    - Start time
- As a user, I can select to view a caregiver profile
As a user, I can provide a review on any other user.

As a user, I can search for people by entering their name or email address

As a user, I can use my reward credits to pay for premium services.

**Care Seekers**

- As a care seeker, I can post details of the help I am looking for.
  - I can select to post to my Facebook wall, Twitter account, or send a message to selected friends asking for referrals
  - Job details include:
    - Type of help (Childcare, Home Support, Pet care, Housekeeping), Job title, job description
    - Times (regularly scheduled – calendar of days/hour plus start/end dates, one-time – start/end date/time, occasional - starting
    - Job details (geriatric care management, home care, indecent living, assisted living, nursing home care, transportation services, adult day health)
    - Payment rate range per hour
    - Location (postal code/zip)
    - Job posted until
    - Allow companies or agencies to apply

- As a care seeker, I can choose to be notified by email or text, if I receive a response to a posted job

- As a care seeker, I can provide a review and rate a caregiver who worked for me.

**Caregivers**

- As a caregiver, I can create a caregiver profile with my information.
  - All the same information as care seeker profile, plus:
  - Type of care provided:
    - Babysitting
    - Nannying
    - Home Care Support
    - Pet Care
    - Housekeeping
  - Experience
    - Childcare
      - Newborn/Infant Care (0-1)
      - Toddlers Care (2-3)
      - Early school age (4-6)
      - Grade school age (7-11)
      - Pre-teen/teenager (12+)
    - Home Care Support
      - Child (0-17)
      - Adult (18-64)
      - Matures (65+)
Special Needs (Alzheimer, Alzheimer's, Arthritis, Dementia, Diabetes, Hearing Impairment, Immobility, Obesity, Parkinson's, Visual Impairment, other)

- Skills and Certifications
  - CPR, First Aid, other

- Availability
  - Days, hours, overnight, long/short term, frequency, etc

- As a caregiver, I can request a background check to be performed on me. I can either pay for this service directly, or use my reward credits.

Product Manager

- As a Product Manager, I can view system usage data
  - Number of registered users
  - Number of daily visits
  - Feature popularity
  - Frequency of visit per customer category

- As a product Manager, I can select to send a personalized email to a subset of users with specific information

- As a Product Manager, I can specify the SEO keywords for each job category (listings should be search engine optimizable)

Community Manager

- As a Community Manager, I can send messages to each FB LIKE category of customers.

- As a Community Manager, I can select the images to be displayed on Home Page.

- As a Community Manager, I can easily update the content on News and Updates page with videos, images, text, links, etc.

Customer Support

- As Customer Support, I can review list of reported abuses.
- As Customer Support, I can find a user and review all their activities on site: date, joined, number of interactions, content uploaded, etc
- As Customer Support, I can delete content uploaded by a user
- As Customer Support, I can warn, ban, and unban a user
- As Customer Support, I can refund charges for a user
- As Customer Support, I can add or remove credits for a user
Appendix B: Wireframes

Figure B-1  Home Page (Author, 2011)
Figure B-2  Search Results Page (Author, 2011)
Figure B-4  Update Caregiver Profile Page (Author, 2011)

![Update Profile Page](image)
Appendix C: Use Case Scenarios

Figure C-1 Caregiver Search Process (Author, 2011)
Appendix D: Augmented Porter’s Five Forces

Figure D-1  Augmented Porter’s Five Forces (Author, 2011)

- **Government**: Low
  - [+] FDA regulation
  - [+] Government health spending

- **Bargaining Power of Suppliers**: Low
  - [-] Large pool of web application developers
  - [-] Relatively low opportunities of employment

- **Threat of New Entrants**: High
  - [+] Low initial capital requirements
  - [+] Low customer loyalty
  - [+] Existing players not abreast of technology
  - [-] Requires regional marketing campaigns

- **Competitive Rivalry within the Industry**: Moderate
  - [+] Two major market leaders directly compete
  - [+] Similar offerings, lack of product differentiation
  - [+] Competition on price
  - [-] Low market penetration
  - [-] Growing market size

- **Threat of Substitute Products**: Moderate
  - [+] Craigslist has considerable brand recognition
  - [+] Nursing agencies offer most ‘trusted’ product
  - [-] Alternatives are expensive, time consuming
  - [-] Alternatives are undesirable

- **Bargaining Power of Buyers**: High
  - [+] Continue to use real-life work-of-mouth
  - [+] Not perceived as an essential
  - [+] Low to moderate switching cost
  - [-] Caregivers can set their own prices
  - [-] Website is free for Caregivers to register
  - [-] Positive rating over time can lead to more job opportunities
  - [+] Shortage of qualified caregivers
  - [+] Caregivers have many other channels for finding jobs

- **Complementary**:
  - [+] Platform for 3rd part developers to add value
Appendix E: Pro Forma Statements

Table A-1 Five Year Projected Operating Costs (Author, 2011)

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<td>$7,525,096</td>
<td>$20,367,113</td>
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**Notes**

a) Depreciation of computer and software is 100%, Office furniture depreciates at a rate of 20%.

b) Assume 10% based on: http://www.sbr.gov.bc.ca/business/income_taxes/corporation_income_tax/tax_rates.htm
Table A-5 Five-Year Projections – Income Statement (Author, 2011)

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<td>$1,880,184</td>
<td>$115,458</td>
<td>$2,914,652</td>
<td>$9,851,359</td>
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</tbody>
</table>

| Liabilities and S/H Equity                  |            |            |            |            |            |            |
| Liabilities                                 |            |            |            |            |            |            |
| Accounts payable                            | $370       | $1,234     | $3,704     | $4,649     | $5,854     | $7,485     |
| Total Liabilities                           | $370       | $1,234     | $3,704     | $4,649     | $5,854     | $7,485     |
| Shareholders’ Equity                         |            |            |            |            |            |            |
| PPP Equity                                  | $75,000    | $150,000   | $150,000   | $150,000   | $150,000   | $150,000   |
| Angel Investors’ Equity                      | -          | $550,000   | $550,000   | $550,000   | $550,000   | $550,000   |
| VC Equity                                   | -          | -          | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 |
| Retained earnings                           | $(3,882)   | $(116,781) | $(628,510) | $(3,589,192)| $(408,798) | $(7,843,874)|
| Total S/H Equity                            | $71,118    | $383,219   | $1,876,480 | $110,808   | $2,908,798 | $9,843,874 |
| Total Liabilities & Equity                  | $71,488    | $384,453   | $1,880,184 | $115,458   | $2,914,652 | $9,851,359 |
Reference List


Facebook (2010). Facebook Help Centre. Retrieved from facebook.com/help/?page=1038


