

# SPONDULICS

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*Business Plan*

# 1. EXECUTIVE SUMMARY

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The Florida Prosperity Partnership (FPP) would like to introduce Spondulics, an internet streaming platform with lots of diverse content that provides financial education to a large group of both inexperienced and experienced individuals in the world of financial capability. FPP's new initiative, Spondulics, will help to uphold FPP's vision, to elevate financial capability for all.

## **Opportunity:**

There is a major lack (and decline) of financial capability among young adults. Spondulics will work to resolve the lack of financial capability among young adults throughout the United States through "edutainment," education and entertainment.

## **Mission:**

Spondulics' mission is to eliminate the financial literacy gap between generations and improve financial capability among young adults. Spondulics will do this by providing an entertaining and educational streaming platform by which young adults can learn financial literacy concepts in an interesting manner whenever they desire. The market is known as "Edutainment" (educational entertainment) and will be available via video streaming.

Unlike other platforms that teach financial literacy to young adults, Spondulics offers an entertaining method of learning through an edutainment platform with a variety of shows from multiple creators. Spondulics will be free to all of its users and can be accessed at any time throughout the United States.

## **Ownership:**

Spondulics is considered an edutainment initiative by the non-profit, Florida Prosperity Partnership. This initiative will help to grow the Florida Prosperity Partnership and eventually bring in its own revenue to increase the revenue and funds to keep FPP going for many years to come!

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## 2. COMPANY OVERVIEW

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Spondulics is a financial “edutainment” (education and entertainment) platform that helps individuals learn about financial capability. Financial edutainment has been shown to change the personal economic attitudes and behaviors of its audience. This change in attitudes and behaviors will lead to a better financial life for these individuals and their families, neighborhoods, communities, states, and the country in general.

### **Mission statement:**

Spondulics offers a multimedia financial edutainment platform through which young adults can learn valuable financial skills that will benefit them throughout their lives.

### **Short term goals:**

- Pull in more content
- Launch the app by September 30
- Have someone on staff to work on Spondulics full time
- Keep funded for the next year
- Increase social media presence

### **Long term goals:**

- Create content for all channels (Spanish channel)
- Have Spondulics generate its own source of income to return back to FPP

### **Vision statement**

The vision of Spondulics is to elevate Financial Capability for all.

### **Markets and Services:**

The target market of Spondulics is young adults, who need financial assistance and education because of the lack of guidance they currently have. Young adults aged 15 to 29 in the United States account for 66.19 million individuals.<sup>1</sup> This is a very large target market that allows for a large number of users for Spondulics.

Content on the platform will consist of entertaining content with underlying themes in financial literacy, ensuring that the audience remains interested while learning valuable

lessons in the realm of financial capability. When entertained, they will be actively engaged and will be able to actually learn about what they need to learn.

Spondulics will be available across the country via website, mobile app, Apple TV, Roku, Android TV, as well as audio only channels on iTunes and GooglePlay. At the outset, four channels are planned: Spondulics English, Spondulics Spanish, Spondulics Live, and Spondulics Practitioners (for Financial Capability Practitioners).

Channels:

Financial capability practitioners

1. English
2. Spanish
3. TV channel
4. Podcasts
5. Live

**Operational structure:**

- Platform managed by FPP and a future full-time employee
- Four content creators with variety talk shows
- Platform hosting fee will be 10% of donations to respective creators

**Financial goals:** This describes the start-up capital needed, projected revenue and profits, forecast, and budget of the business. Look at the finance part for guidance.

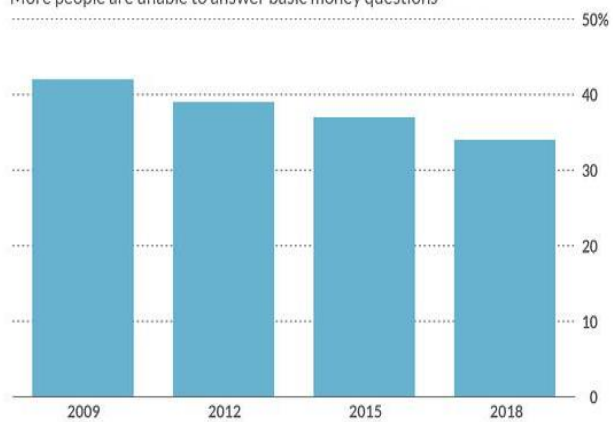
- 6 figure profit revenue
  - \$5,000 annual upkeep
  - Income from sponsors, donations, and merch
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### 3. BUSINESS DESCRIPTION

According to Market Watch, young adults had the sharpest drop in their ability to answer financial literacy questions. Due to more parents relying on schools to teach their children about financial capability because now parents are busier than ever. Many schools do not have these classes, and those that do have so much curriculum in financial capability that there is not enough time in the school year to teach everything. For these reasons, people aged 15 to 34-years-old had the sharpest drop in their ability to answer financial literacy questions correctly over the years, declining from 30% able to answer financial literacy questions to now only 17% being able to answer these simple financial questions.<sup>2</sup>

#### Americans' grasp of financial literacy is slipping

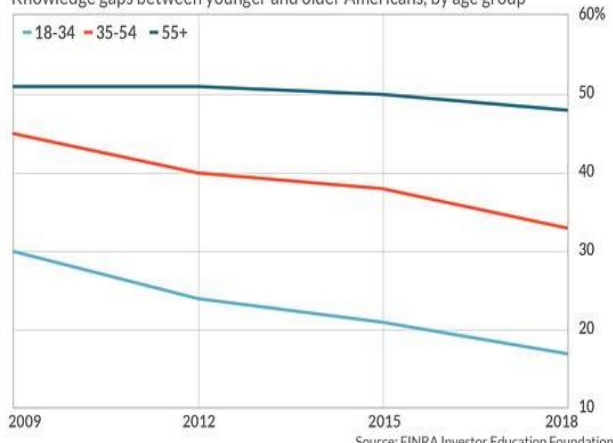
More people are unable to answer basic money questions



Source: FINRA Investor Education Foundation

#### Millennials see biggest decrease in financial literacy

Knowledge gaps between younger and older Americans, by age group



Source: FINRA Investor Education Foundation

It is evident that young adults are not getting the financial literacy education they need. Young adults do not have the platforms and places where it is easy to find help. Spondulics will help completely change this and will become the financial education platform that young adults will go to when seeking financial education help. Spondulics will help to increase the number of individuals who can understand the basic fundamentals of financial literacy by educating through entertainment. It will teach them the basics and will have lots of different content from different experts. Since it will be exposed nationally, anyone in the nation will be able to access Spondulics anytime and anywhere in the United States.

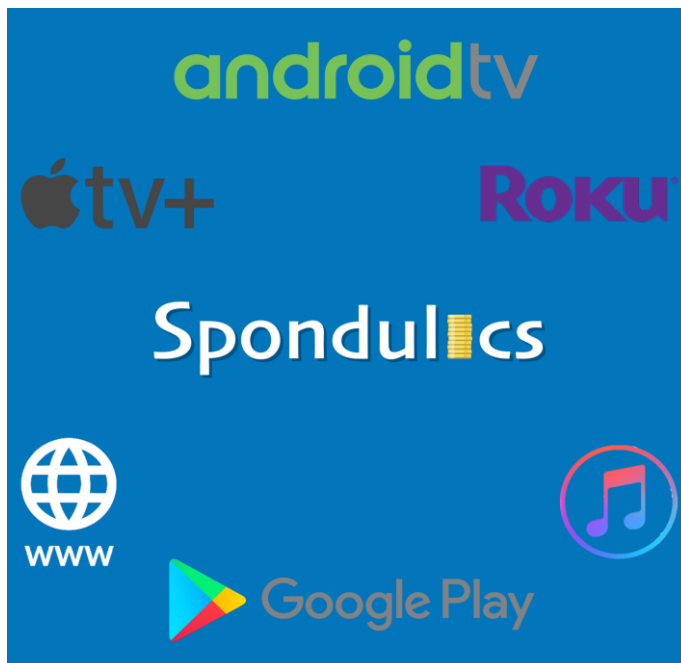
#### Opportunity:

While Spondulics can thrive in any conditions, the current market provides immense opportunity. Many lives have been affected with the Covid-19 pandemic, many individuals are staying home and will be staying home for a while. With this pandemic,

many have realized that things like work and school can be done from home. Spondulics is a fully online edutainment experience. This makes it accessible anytime and anywhere. Users are enabled to learn about critical financial information from the safeness of their homes at their convenience. There are very limited online financial edutainment platforms, many young adults will want to use Spondulics to learn about financial capability since they have nowhere else that is fun yet educational to learn it from. Individuals aged 15 to 29 specifically account for 66.19 million people in the United States and with Spondulics, they will all be able to learn about financial capability. The nation is constantly evolving and relying more on digital and technological sources. This has created a unique opportunity that could skyrocket Spondulics to success since Spondulics is an online platform.

**Product overview:**

Spondulics offers a multimedia platform through which financial content, that is both entertaining and educational, will be provided to the public. Individuals using Spondulics will benefit by learning how to go into college with a financial plan, learn how to save money effectively, etc. Spondulics will be available to all 66.19 million young adults in the United States. It will offer an app that is free of charge for all of its users along with being available on most major streaming platforms including Apple TV, Roku, Android TV, as well as audio only channels on iTunes and GooglePlay. Individuals will now be able to get the financial capability education that they had been lacking for all these years.



**Key participants:**

	
<p>Sherod Halliburton The Truth About Credit.</p>	<p>Red and Black Books Bestselling sister authors on books about financial capability/literacy.</p>
	
<p>Pamela McCoy CEO of BONA5D Credit Consultants.</p>	<p>Pam and Dyalekt Finance Educators of Brunch &amp; Budget.</p>

These content creators will be coming to our platform and will each have their own segments. They are bringing their tens of thousands of followers to support Spondulics. Each have appeared on popular media outlets and have gained a great following.

**Pricing:**

Spondulics will be free for all viewers. Fans are able to donate to their favorite segments, or just Spondulics at any time on the Spondulics app. 90% of the donations would be going directly to the creators and 10% will be going to Spondulics for hosting fees.

## 4. MARKET ANALYSIS

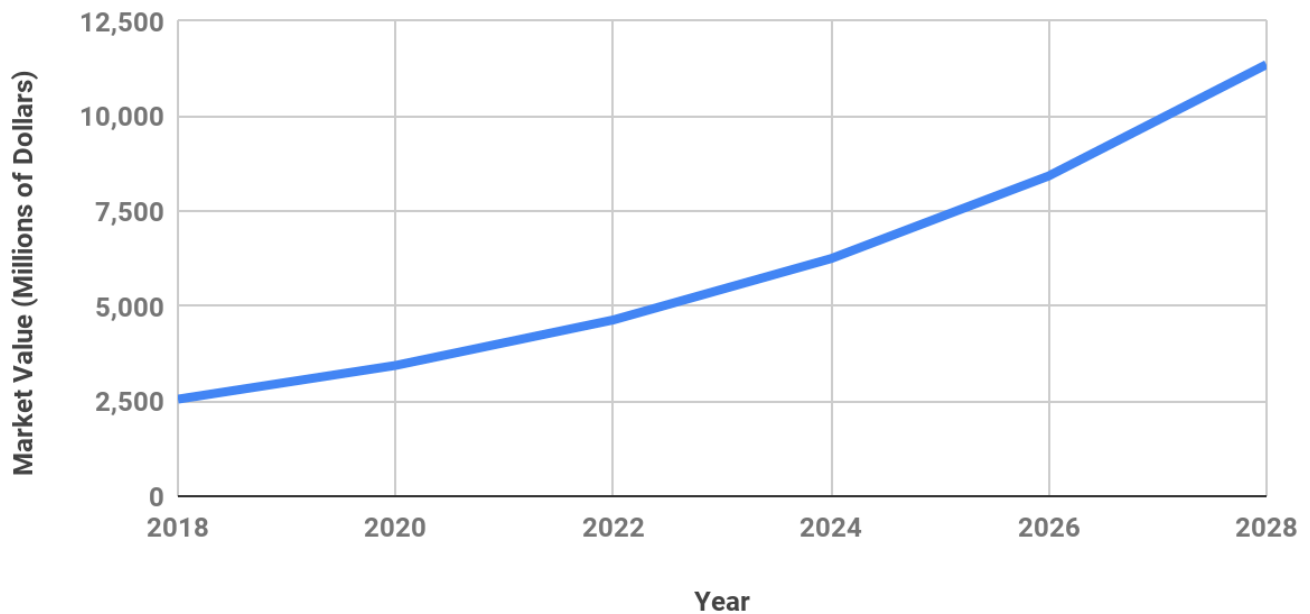
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**Industry type:** Entertainment/Education Industry

The edutainment industry is new, unique, and overflowing with opportunity. With financial capability, everybody is interested in learning about money and being successful, but few are willing to sit through lectures and repetitive material. The potential for growth in the edutainment field is resounding: “The global edutainment market is expected to grow from \$2.55 Billion in 2018 to \$11.349 Billion by 2028 at a CAGR of 16.1% in terms of revenue during the forecast period (2018-2028)” (FutureMarketInsights). To reach the edutainment market, Spondulics will be available nationwide to all individuals who use a smartphone, computer, or various streaming services, specifically targeting the young adult population. Additionally, this population of young adults (ages 15-34) is increasing in the U.S. and consists of over 88 million individuals, and has increased by 4.6% since 2000 (Census.gov, 2019).

### Edutainment Market 2018 -2028 (Millions of Dollars)

Source: Future Market Insights 2018







Students have recognized that there is a lack of education in financial knowledge, and their desire to learn has only grown stronger. A research study conducted by Karen Varcoe, a Consumer Economics Specialist, in 2001 found that, “Although a majority of teens wanted to learn about money, more than half wanted to learn in an easy way.” With debt among young adults skyrocketing since the time of the study, it is clear that the need for financial literacy in an easy and educational manner is both needed and demanded by the young adult population.

### **Competition:**

While this business plan discusses various competitors, Spondulics believes views “competitors” as opportunities. Spondulics is willing and able to reach out to content creators to form partnerships by which individuals can put their content on Spondulics to benefit from increased exposure without any disadvantages to them.

Furthermore, Spondulics is a highly unique and innovative platform in which young adults will be able to learn about the realm of financial capability in an entertaining fashion. No other company operates similar to Spondulics through visual and auditory content, making Spondulics a trailblazer in the field of financial edutainment.

- YouTube - Many financial education videos already exist on platforms such as YouTube. While YouTube features some financial content, Spondulics will serve as a conglomeration of various financially entertaining content and we will be able to market it as so, providing a distinct advantage over individual content creators. Additionally, selected content creators will be able to place their content on the Spondulics platform as well as on YouTube, benefiting them through increased exposure at no cost.
  - Bank Account At Home - 21 Savage created a financial literacy program that covers “basic money management, financial planning for the future, budgeting and entrepreneurship” (Triscari,2020). Spondulics actually helps individuals to learn about different aspects of finance. It has more of a variety in educational sources and topics of learning than Bank Account At Home. Target audience is bigger. More entertaining rather than just informational. Though celebrity endorsed, Bank Account At Home focuses on mundane aspects of financial literacy in a manner that is not entertaining, enabling us to differ in the market.
  - Audible - Similar to YouTube, Audible may make it difficult to obtain auditory content creators for podcasts and or ebooks that we may wish to place on the site. However, if not legally locked in to placing content on Audible, auditory content creators can benefit from increased exposure on Spondulics as well.
  - PracticalMoneySkills (Practical Money Skills, 2020) - A financial education site sponsored by VISA with the goal of providing informative financial material along with finance related games to attract the attention of the youth audience. The site
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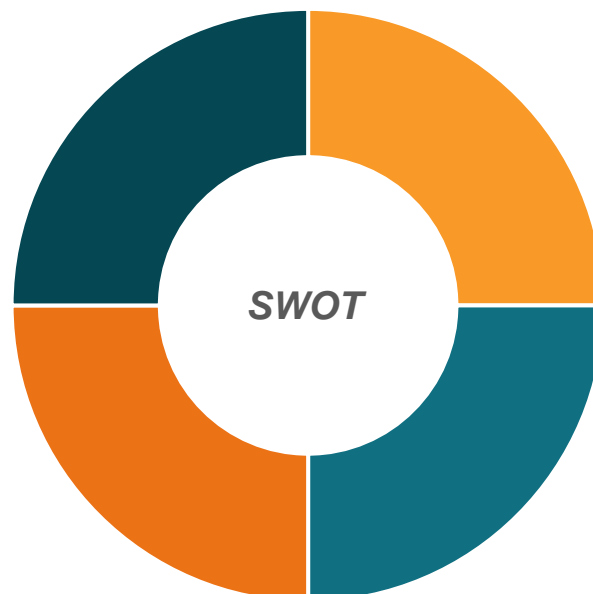
features highly informative content without entertainment, along with finance relating games. The site does not offer video entertainment content for mobile and streaming platforms as Spondulics does.

### STRENGTHS

- Unique
- Multiple Investors and Professionals
- Known for Quality Education
- Dedicated Leadership
- Contacts able to help free of cost.
- Annual film festival collects large quantities of content.
- Working for a great cause.

### OPPORTUNITIES

- Online workplace growing (COVID)
- Potential to increase connections
- Prominent demand for financial education among youth.
- Economic conditions create demand.



### WEAKNESSES

- Lack of Investors
- No pre-existing market
- Youth Audience is difficult to attract

### THREATS

- Low barriers to market
- Competition with YouTube, other media platforms
- Economic conditions (regarding investing)

## 5. OPERATING PLAN

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Order fulfillment:

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All services provided by Spondulics will be through the Spondulics platform, taking the form of a mobile application, website, and being available on various streaming platforms.

**Payment:**

Spondulics will maintain funding in three key forms:

1. Advertisement Revenue through websites, social media channels, and other platforms.
2. 90% of donations provided through for content on the website will be given to the respective content creator. The remaining 10% will go to Spondulics as a hosting fee to maintain the non-profit.
3. Merch following the on-demand merchandising tactic as to not have an unnecessary inventory for content creators.

**Technology:**

Website, mobile application, streaming platforms (Apple TV, Roku, Google Play, iTunes)

**Key customers:**

Spondulics' key customers are investors, content creators, and viewers alike. We also have a donation section on the website where viewers can donate and help to keep the business funded.

- Current sponsors: CIT Bank, Comerica, Florida Blue Foundation
  - Current content creators: MC Dyalekt, Pamela McCoy, Red and Black Books, and Sherod Halliburton
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## Key employees and organization:



Bill Mills is the President/CEO of Florida Prosperity Partnership (FPP), a nonprofit dedicated to elevating Financial Capability for all. Bill loves to find innovative ways to reach audiences! Previously, he was a banker for eleven years. During that time, he served as a Regional Community Development Manager working with nonprofits and government agencies on behalf of a large bank. Prior to this position, he oversaw a large mortgage team with an annual production in excess of \$160 million. He holds a Bachelor of Science in Business Administration with a major in Marketing from the University of Central Florida. Bill has also written, directed, and produced marketing videos, short films, and

a full-length feature.

Ryan O'Donnell - Chief technologist

Awaiting response\*\*\*

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## 6. MARKETING AND SALES PLAN

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See Attached Marketing Plan

### **Key messages:**

Spondulics will bolster credit and financial knowledge in an entertaining and accessible manner for its audience of Young Adults.

### **Marketing activities:**

- Media advertising (newspaper, magazine, television, radio)
  - Direct mail
  - Seminars or business conferences
  - Joint advertising with other companies
  - Word of mouth or fixed signage
  - Digital marketing such as social media, email marketing, SEO, or blogging
  - Give free informational talks either at the business offices or for local businesses offering complementary services (such as a real estate agent providing seminars about preparing a home to bring to market)
  - Do free work for local non-profits (such as an ad agency designing a local farmer's market's website for free)
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# 7. FINANCIAL PLAN

**Projected start-up costs:**

START-UP COSTS				
Spondulics				September 30, 202
COST ITEMS	MONTHS	COST/ MONTH	ONE-TIME COST	TOTAL COST
Advertising/Marketing		\$0	\$0	\$0
Employee Salaries*	12	\$2,000	\$0	\$24,000
Employee Payroll Taxes and Benefits	12	\$164	\$0	\$1,968
Rent/Lease Payments/Utilities		\$0	\$0	\$0
Postage/Shipping		\$0	\$0	\$0
Communication/Telephone		\$0	\$0	\$0
Computer Equipment		\$0	\$2,000	\$2,000
Computer Software		\$0	\$0	\$0
Insurance	12	\$52.95	\$0	\$635.40
Interest Expense		\$0	\$0	\$0
Bank Service Charges		\$0	\$0	\$0

Supplies	12	\$8.95	\$0	\$107.40
Travel & Entertainment		\$0	\$0	\$0
Equipment		\$0	\$2,500	\$2,500
Furniture & Fixtures		\$0	\$0	\$0
Leasehold Improvements		\$0	\$0	\$0
Security Deposit(s)		\$0	\$0	\$0
Business Licenses/Permits/Fees		\$0	\$0	\$0
Professional Services - Legal, Accounting	12	\$70	\$0	\$840
Consultant(s)	12	\$250	\$0	\$3,000
Inventory		\$0	\$0	\$0
Cash-On-Hand (Working Capital)		\$0	\$0	\$1,000
Miscellaneous		\$0	\$0	\$2,000
<b>ESTIMATED START-UP BUDGET</b>				<b>\$38,050.80</b>

\*Based on part-time employees. This may change once you hit your growth benchmark.