



**TAMPERE UNIVERSITY OF
APPLIED SCIENCES**

BUSINESS SCHOOL

FINAL THESIS REPORT

Language Consultant Service Project

Sofia Zhuoqun Zhao

Degree Programme in International Business

Supervisor: Shaidul Kazi

TAMPERE 2010

Author(s): Sofia Zhuoqun Zhao
Degree Programme(s): International Business - Bachelor in Business Administration
Title: Language Consultant Service Project
Month and year: May 2010
Supervisor: Shaidul Kazi

Abstract

The demand of language related services is always high but finding qualified professionals is often difficult and expensive. The traditional methods for learning foreign languages are outdated in favor of private lessons, but the schedules are not always flexible enough and the teachers are not always qualified. Moving to a foreign country (permanently or only for a limited period) is always a big challenge, and finding good job opportunities is a difficult task.

The objective of this thesis is to provide a service that combines the need of language professionals, teaching new methods and covering in particular the demand of Chinese language in the city of Tampere. This service will be offered by Kiina-Silta, a language related company founded on 1998, expanding the existing business, and at the same time providing job opportunities to the foreigners according to their previous skills.

The main research method has been a set of questionnaires, to quantify the potential customers, and the characteristics of the services they need. Another survey has been done to know the profiles of the foreign students that can provide their services as personal teachers.

Keywords: private lessons, language consultancy, Chinese, personal teaching, online

Contents

Abstract.....	2
Introduction.....	5
Background.....	5
Purpose of the study and research questions.....	6
Research methods and limitations.....	8
Structure.....	11
About Kiina-Silta.....	12
Analysis of the current scenario in Tampere.....	13
About Tampere.....	13
Studying the demand.....	13
Potential teachers.....	14
In numbers.....	15
Conclusions of the research.....	26
Business plan.....	27
Overview.....	28
e-Business	28
Previous considerations based on the theory.....	30
Language Teaching.....	31
Competitor analysis.....	32
Product description.....	33
Joining the service: the customer's experience.....	36
Becoming a teacher.....	38
Having a private lesson.....	39
Web platform.....	40
Improving the customer's experience	45
Human Resources Management.....	46
STEP Factors.....	49

Socio-cultural.....	49
Technological.....	49
Economical.....	50
Political.....	51
SWOT-analysis.....	52
Strengths.....	52
Weaknesses.....	52
Opportunities.....	53
Threats	53
Promotional strategy.....	54
Promotions for Summer.....	55
Startup expenses.....	56
Sales projection.....	60
Cash flow.....	61
Risk analysis	62
Implementation.....	64
Stage 1: finding teachers.....	64
Stage 2: finding customers.....	64
Stage 3: merging.....	65
Deploying the resources in other contexts.....	66
Conclusions.....	67
Bibliography and references.....	69
Appendix A: TAMK survey.....	71
Appendix B: ideapark survey.....	73
Appendix C: potential teachers survey.....	75
Appendix D: teacher contract.....	77
Appendix E: platform development cost estimation.....	78

Introduction

Background

Since I moved to Tampere, the language differences have been always an important part of my life. First, learning a foreign language to become an active part of the society. Second, helping other foreigners to find their place and go on with their lives in a new country. And third, in the professional field, working as a translator, interpreter and a language teacher. In retrospective, all those personal challenges appear related, and as it will be shown in this paper, can merge into a single project, becoming a fresh opportunity for the newcomers to find a job, for anyone who wants to learn a new language (in this case, Chinese), and for Kiina-Silta to expand the business with a new service.

I moved from Beijing (China) to Tampere (Finland) ten years ago, and I studied in Finnish middle school, high school and now university; during this time I experienced what kind of student life and teaching styles are present in Finland. In the professional field, I worked for five years as a Chinese language teacher, teaching children and adults, in groups but also in private lessons, using a wide variety of methodologies. I have been also working for eight years as a translator, being the interpreter of the Chinese delegation from GuangZhou (Twin City of Tampere) in their visit on 2008, attending to all the events and acknowledging all the cooperation plans between these cities. This experience provided me a good perspective about the language needs and techniques, which methods are more effective with which client group, and I would like to bring it to a practical field.

During this time, I have seen from a foreigner's point of view how this city has changed to become more and more cosmopolitan. I have met lots of other foreigners willing to find their place in the Finnish society, but finding some difficulties in the first steps: finding a job, meeting Finnish natives, knowing the characteristics of this

society, etc.

This thesis is developed in cooperation with Kiina-Silta's founder Terhi Mikkolainen, who has a bachelor degree in Chinese language from Beijing Language and Culture University. She travels to China annually, working as a translator, interpreter herself and has translated books, official documents also records from Chinese to Finnish or English and vice versa. She is coaching me through the whole project development process and providing the guidelines of this new service. Also with the help of Oriol Palenzuela Rosés, who is a software engineer with 12 years of working experience as an IT analyst. He is helping in the design of the technological platform and estimating the budget of the technological part of the project.

The goal of this project is to provide a valuable training and work opportunity to Chinese immigrants in the city of Tampere and possibly expanding to other cities, offering a competitive alternative to the customers who are willing to learn Chinese, but they cannot join schedules with fixed lectures, or just simply want to have private lessons with warranties, by developing a new service for Kiina-Silta.

Purpose of the study and research questions

The traditional methods of language learning (classroom with fixed teacher, weekly timetables, books and blackboard) are nowadays outdated, and unpractical for a dynamic and changing lifestyle. Instead of this, less orthodox but practical methods seem to be faster and more effective in most of the cases. In the particular case of Chinese language teaching, providing a basic material and a trained native teacher is enough for progressing through the different levels.

The research done in this paper wants to measure the customer's preferences and determine the favorite methodology for learning a foreign language. In the other side of the analysis, it will be also measured the interest of the potential teachers for

working in a foreign country, and evaluate if the service will be or will not be profitable for Kiina-Silta. However, since the service represents a substantial expansion of this company's activities, it has been considered convenient to develop a business plan, in order to estimate the impact that it might have on the normal activities and the global costs of this project.

The comprehensive business plan, which should be the result of meetings and reflections on the direction of the new venture, is the major tool for determining the essential operation of a venture. One of the major benefits of this plan is that it helps the enterprise avoid common pitfalls that often undo all previous efforts. (Kuratko, 2001)

This study will answer the main question: How can we satisfy the demand of language private teaching and provide job opportunities to foreigners, obtaining a benefit from it?

To reach the main question, we have to answer the following sub-questions first:

- How to allocate the right teacher with the customer?
- How to bond the trust with the customers and the teachers?
- How to maximize the marketing performance with minimum budget?
- What potential has the business to be expanded in the future?

In order to answer the main question, we must determine what demand we have, and what does the potential customer understand as private teaching; we also need to know the availability of the foreigners to become personal teachers and evaluate the possibility of developing a profitable service.

Research methods and limitations

The current situation in Tampere will be analyzed using three questionnaires, measuring the potential target group and the possible language teachers. This part of the research will not be oriented to answer directly the research questions, but it will provide a valuable background for determining the viability of the project. These surveys will mainly use closed qualitative questions with the formula “agree-disagree”, grouping the related questions to obtain a more balanced and reliable answers. A short structured questionnaire based in simple and closed questions is easier and faster for the respondent, and it might obtain a better predisposition; *The more complex is the question, the more likely is that the participant will finds it difficult to answer* (Eriksson, 2008). Using the multiple-choice format for most of the questions, it feels visually more attractive than a form with many fields to write in, and it will reduce the amount of time required per each respondent.

Qualitative research was considered the only possible option to evaluate the grade of interest of the respondents with each of the suggested methods, since *quantitative research cannot deal with the social and cultural construction of its own variables* (Silverman, 2001), meaning that the grade of interest in one or another method it might represent a very different scale between individuals.

The first two questionnaires were done in TAMK and ideapark in the context of another related study, but the conclusions obtained are specially useful for this research. However, some of the questions does not apply for this particular purpose and will not be used with the results (see Appendixes A and B for the questionnaires), but it will be very useful for comparing the situation between an academic environment and outside. The aim of these two surveys is to measure the interest for learning foreign languages, the preferred methods and the reasons for learning Chinese.

Primary exploratory research was done with another survey, used for to evaluate the availability and preparation of the foreign students to become personal teachers, and their interest about having a part time job in Finland. The survey will be directed to all the foreign students who moved to Finland, to have a big picture of the situation and use this data to analyze the possibility of bringing the project to another contexts.

The survey done in TAMK was in electronic form, the same as the third survey, and the one done in ideapark was on paper, driven by three interviewers. Most of the questions considered in this analysis are parametric, using the format “agree-disagree” in a interval from 1 to 5.

CAQDAS (acronym of Computer-Assisted Qualitative Data Analysis Software) are computer programs that can collect and store big amounts of data, helping in the qualitative analysis process.

Some advantages of CAQDAS in business research

- *Can help in handling very large volumes of qualitative data*
- *Search and retrieve functions make data management easier than word-processing programs, specially with large volumes of qualitative data*
- *Offers team researchers possibilities in comparative research and large multi-site research projects*

(Eriksson, 2008)

In our case, using this technology was the only way to reach a significative amount of people in our target group, since part of the data that was considered involved the area of residence. It was also a major reason for choosing this method the time limitations that affected this part of the research.

The frame of this research is limited, since the sample was taken from two very concrete places, probably not totally representative of Tampere's population, so the results of this research might not be highly accurate; also the size of the sample is not big enough to guarantee a good representation. To compensate this possible

drift, the analysis of the sample was done from a very conservative perspective, considering the less favorable case.

This thesis will not get into the minor details of the business plan, since the company has been already operating for many years. However, we will pay special attention in questions related to the personnel management and the relations with the customers and teachers, since this will be a brand new field of expertise for the company.

Structure

This work has been divided in two main parts. In the first place, the chapter “Analysis of the current scenario in Tampere” contains the information gathered in order to analyze the target group and develop the project with a solid basis. The demographic and general data was obtained from official sources, and the specific information related to the project was gathered using the surveys included in the appendixes sections. The purpose of this part is to locate the potential customers, obtain the needs of the target group in order to create a product that covers the demanded characteristics.

The second part contains the development of the service itself, based on the results obtained in the first part, and it is detailed in the chapter called “Business plan”. This plan will be based at the same time in business and academic guidelines, properly referenced.

The business plan is the entrepreneur's roadmap for a successful enterprise (Kuratko, 1990).

This paper is complemented with the surveys, the contract draft and the technological platform's budget, all included in the appendixes sections.

About Kiina-Silta

Kiina-Silta is a private company established in year 1998 and run by Terhi Mikkolainen. Company's field of expertise is Chinese language and culture, and it's main field of operation is providing translation and interpretation services Finnish - Chinese - Finnish for private companies and public organizations, as well as for social sector. Kiina-Silta has also gained experience in editorial and journalistic field, as well as in cultural counseling. The company has for many years cooperated with FutuVision Media Ltd in producing contents to China related radio programs and websites, and with Finn-Sino Association in organizing Chinese Culture Festival events in Nordic countries.

Kiina-Silta has also engaged in Chinese language teaching projects in educational institutions and produced contents for Learn Chinese-section in Radio86.com websites. However, despite the experience gained in the language teaching field, the company does not have yet an active business line dedicated to it, even the project goes very much in accordance with the general direction of the company, and it's future plans.

Analysis of the current scenario in Tampere

About Tampere

Tampere is the third most populated municipality in Finland and the biggest city apart from the Helsinki area with 211.691 people (at the end of 1st term of 2010). It has three high educational institutions (UTA, TUT and TAMK) with more than 38.000 students in total. This characteristics make the city a good candidate for the analysis as a representative of most of the Finnish population, at the same time that makes it interesting for the project itself; in the first place because of the amount of potential customers, and in the second place because a significant part of this 38.000 students are foreign grade students, maybe interested in becoming the personal language teachers required in this project.

Studying the demand

In order to know the actual demand of language courses, and the characteristics of the teaching methodologies demanded, the surveys included as appendixes A and B were made. The contents of both surveys were very similar, but they differ in the methodology and place:

- the first questionnaire was done in TAMK as an online quiz, answered by 309 people, most of them students but also some workers who were included also in the mailing list
- the second survey was performed in the commercial area "ideapark", as 92 individual interviews, selecting the people in order to target a wider and more representative age range than in the first one

The structure of this surveys is intentionally brief and direct. Only the first 2-3 questions are about personal data (age, gender, occupation) as a complementary information about the sample group, the next question is a straightforward “Would you like to learn Chinese?”, with a multiple choice answers, creating an obvious context for the interview. The rest of the questions are following a common structure with “agree-disagree” interval, making easy to answer.

Potential teachers

In the previous research were found the potential customers, but now it's necessary to determine the possibility of finding the workforce required for the project. To do so, the survey included in Appendix C was done among Chinese citizens living in Finland, and also to the foreign students in TAMK.

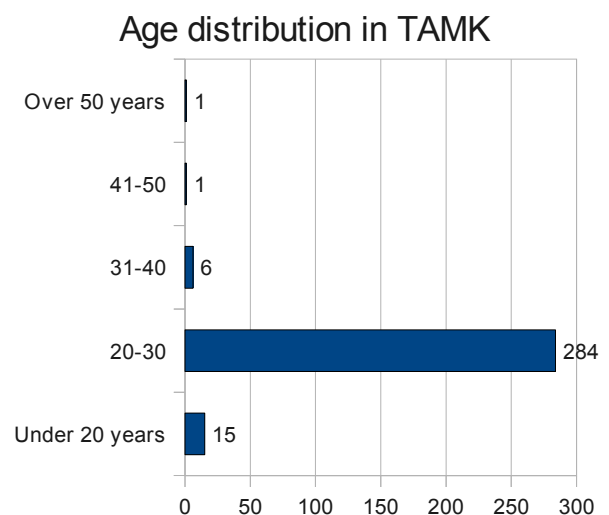
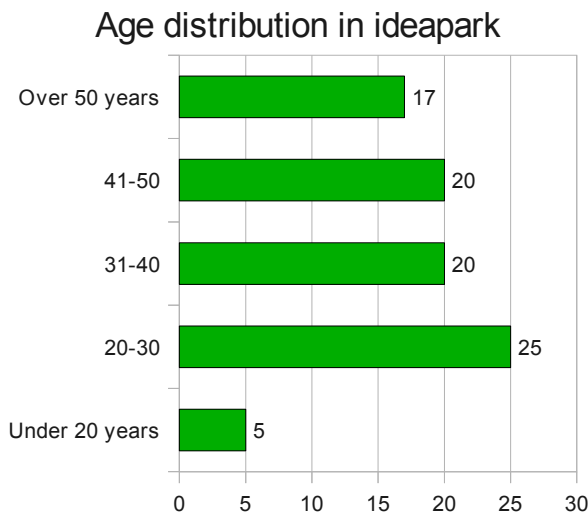
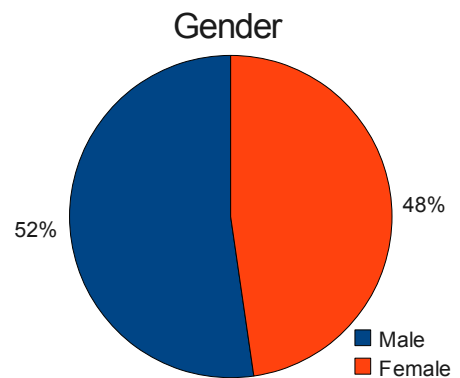
In this part of the research, most of the questions were oriented to determine the language levels (basically English, Finnish and Chinese), the professional experience and availability, but it was also necessary to collect information related to the geographical area, in order to determine the potential coverage of the service.

This survey is using the electronic format, and based in multiple choice in most of the questions, and it was sent to the mailing lists of Chinese citizens living in Finland and TAMK students.

In numbers

As we said before, the data collected for the research about the demand of Chinese language teaching was obtained in two different scenarios: TAMK and the commercial center “ideapark”. In this chapter we will analyze the results, comparing the obtained data from both scenarios, in order to find out if there are any relevant differences.

To put the information collected in context, we can determine a very balanced gender sampling, with near 50%-50%, and also a balanced age distribution in ideapark, which was not possible in the survey done in TAMK, since the age range has a understandable high concentration in the range of 20-30 years old, and only testimonial samples outside this values.



In the question “Would you like to learn Chinese?”, we obtained a significant 45% positive answers in TAMK, in front of a 49% negative answers, and 2% is planning to take the lessons in the near future.

A 5% have already received some kind of education in Chinese language or are studying the language at the moment. This group, however, can also be interested in the service as a complementary practical training.

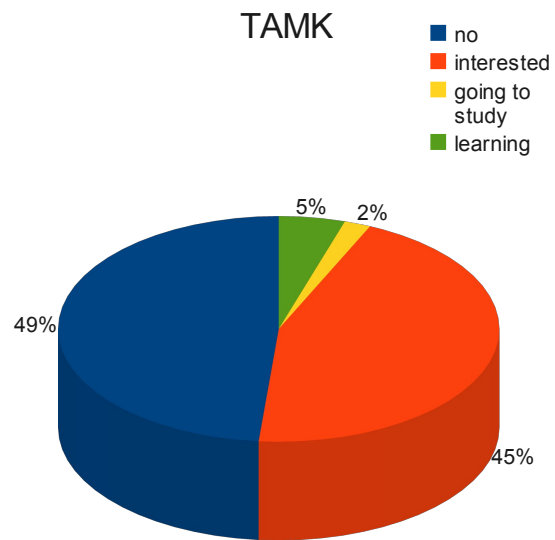


Illustration 1: Would you like to learn Chinese? (TAMK)

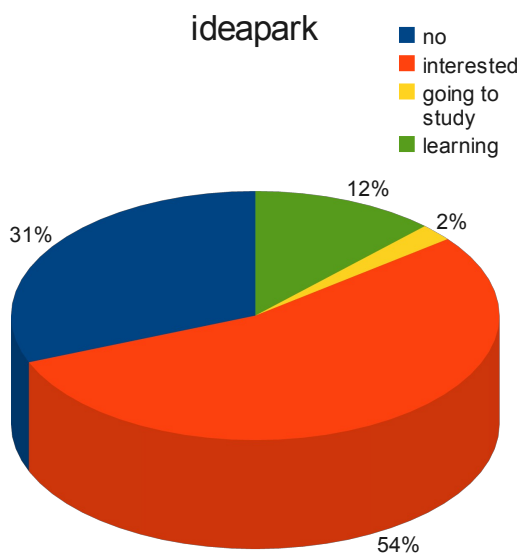


Illustration 2: Would you like to learn Chinese? (ideapark)

The results obtained in ideapark about this question are significantly more positive than in TAMK, since only a 31% declared not interested in the language, when almost half of TAMK respondents provided this answer. 54% of the respondents are interested and 12% were learning or have already studied Chinese before.

From this first question we can conclude that people's interest towards the Chinese language is high, and there is a 2% of respondents very interested on starting the learning process in the short-run.

The next question to analyze is why people is generally interested in the Chinese language. In a preliminary survey, we observed the respondents stated doing business with China, Chinese culture, traditional medicine and travel as reasons, so we considered them as the main answers for this question, grading each one from 1 to 5, and leaving a “other reasons” option.

From now on, the results of both surveys will be represented in the same graph, in order to highlight the differences between both scenarios. For instance, we can see a big difference in this question in particular; The two main reasons stood-up in TAMK's survey are business and medicine, while in ideapark's survey those reasons are the last, travel and culture are the options with higher average.

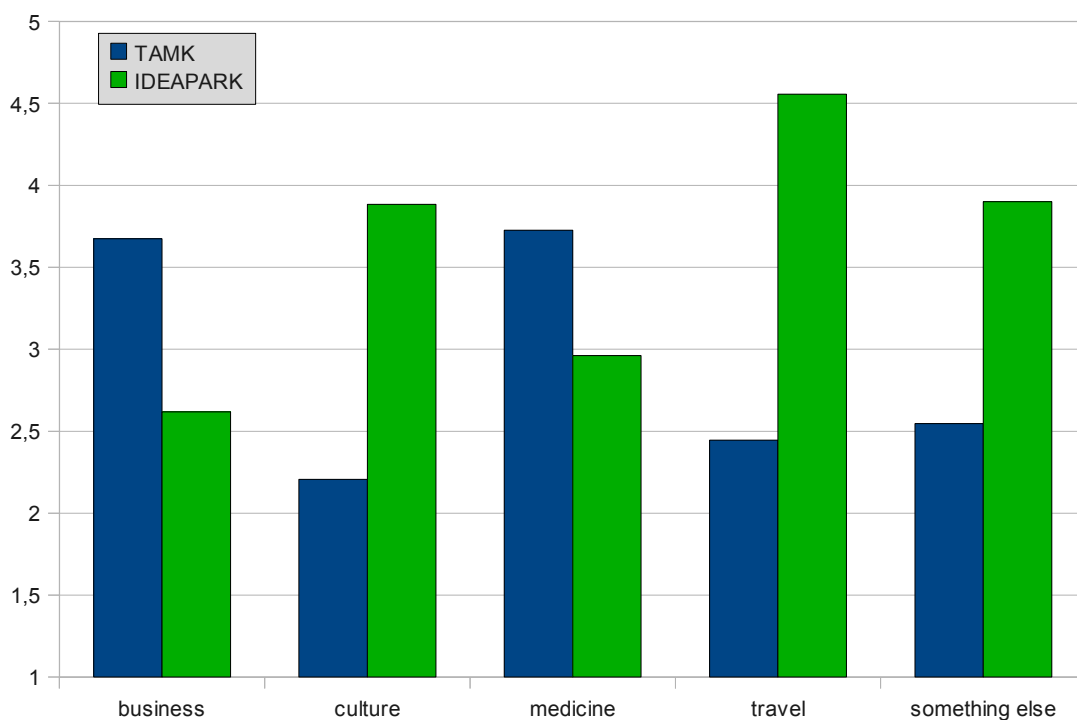


Illustration 3: Interests about China

In the previous question of the questionnaire done in ideapark, we also observed a high average in the last option, “something else”. This is because few respondents valued with the maximum weight a reason that was not in the questionnaire, which is

having a Chinese relative or friend, or someone living in China.

A more realistic picture of the research process is that of a circular process, where it is almost necessary to move back and forth during the different phases in the research process (Eriksson, 2008)

In our case, this could be a good moment to reconsider the available options for this question, and prepare a second research that will yield more accurate results.

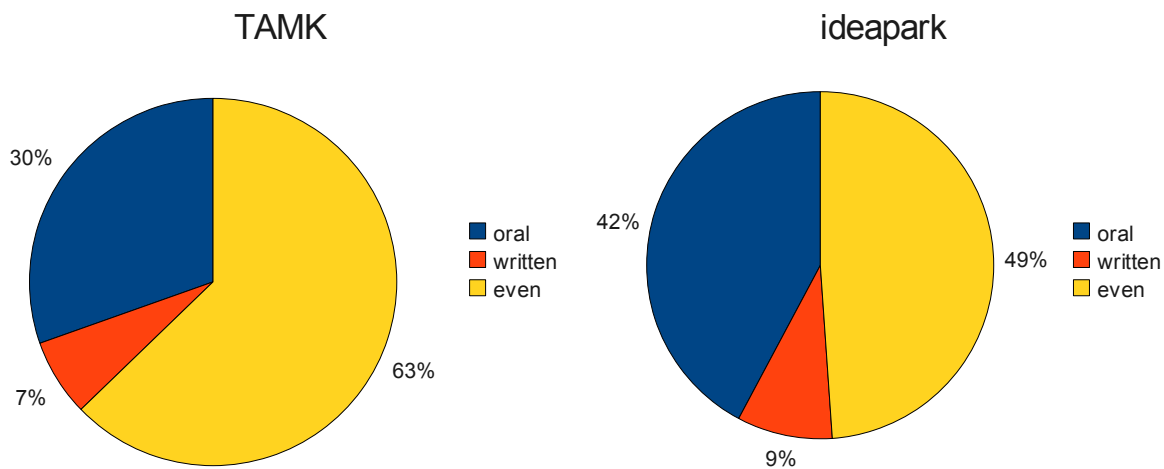
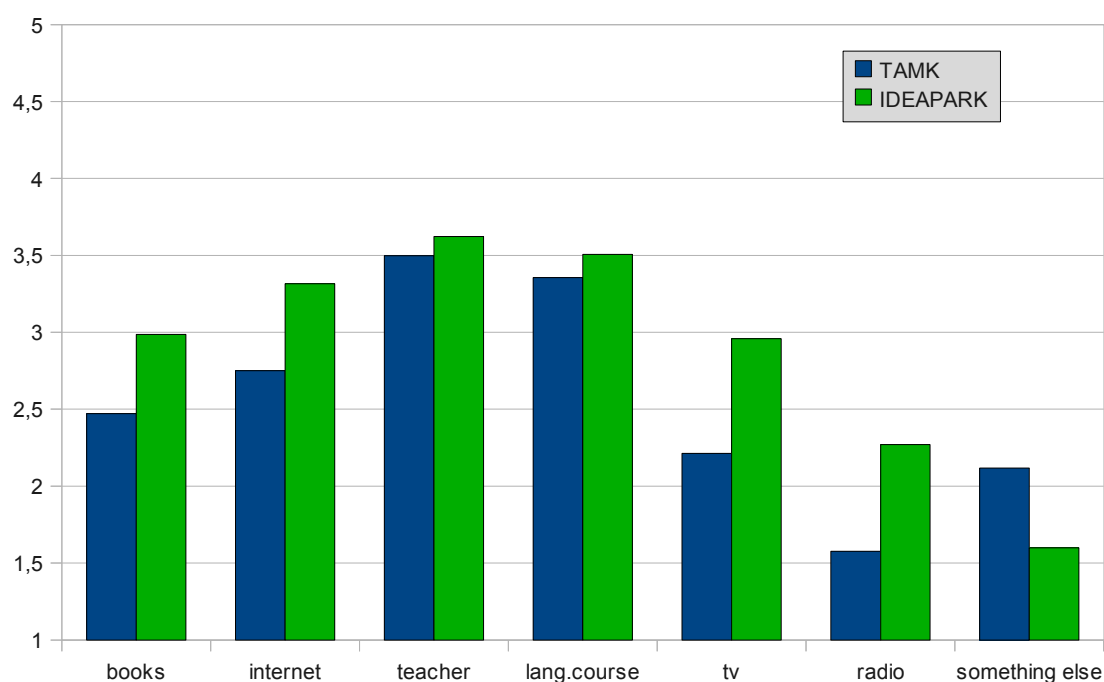


Illustration 4: How important are oral/written skills?

Most of the people consider as important oral as written skills, but there is a considerable percentage of people who think that oral skills are still more important than the written. This will provide an advantage to a method based in personal teacher conversation practicing, but it demonstrates that the only-oral formula is not an option for the respondents.

The observations in the preferred methodologies for learning a foreign language, the results are very similar in both scenarios; the favorite method is the personal teacher, and the second goes to the traditional language course. The third option is Internet language teaching material and the fourth is using text books. The fifth and sixth

reasons in ideapark (fifth and seventh in TAMK) are TV and radio, apparently considered outdated by the students. One last option was added in the questionnaire, leaving the possibility of considering “something else”, which reached the last position in ideapark's survey, but the second last position in TAMK, where many students considered as a good method for learning the language traveling to the country or with *language diving* techniques.



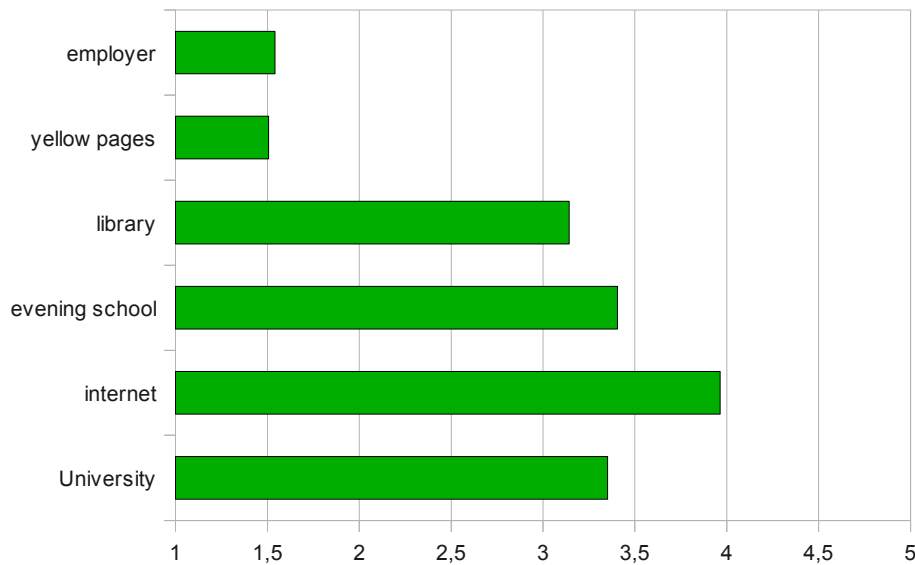


Illustration 6: How will you find information about language teaching?

One relevant conclusion is that more than 80% of the people consider “Important” or “Very Important” the Internet as the information source for learning Chinese, being the option with the highest mark (almost 4 out of 5), while Evening schools and open Universities barely reach the 50% in the second and third place, with a grade under 3.5. Using the Library as a source of information is in the fourth place, still over the 3 points, and finally Employer and Yellow pages are in the last position, both approximately having a very low punctuation of 1,5 out of 5. In the promotional project of the business plan we should consider this results when choosing the media for promoting the service.

Using this numbers, and only counting with this 2% of people who is going to study Chinese soon (ignoring the 45%-55% who are only “interested”), our starting target group in the working age population (110.000) is over 2.000 highly potential customers only in the region of Tampere.

The second part of the research was oriented to determine the possibility of finding teachers, starting from the area of Tampere but also all around Finland. To place the

results of this survey in context, the general demographic information obtained is showing a significantly higher percentage of female respondents, and a predominant range between 20 and 30 years of age, but also over 30.

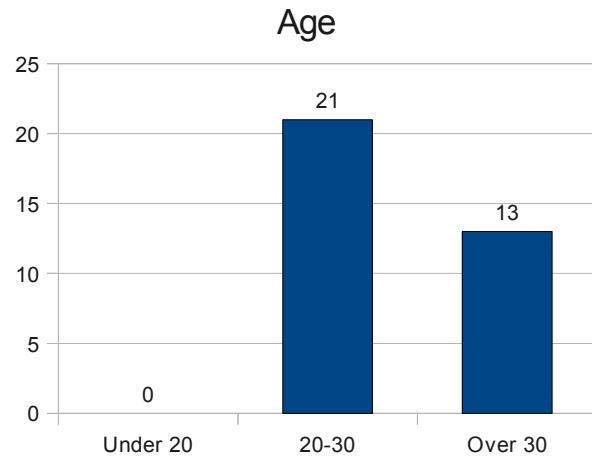
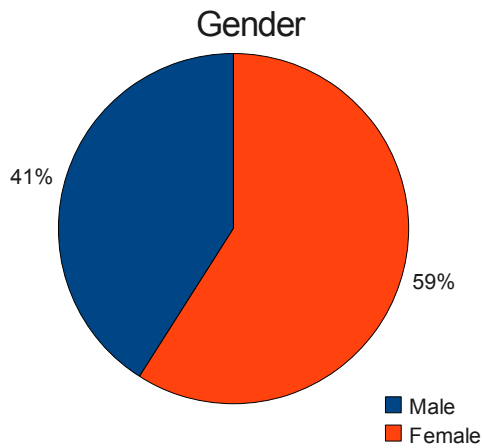


Illustration 7: Candidate teachers gender Illustration 8: Candidate teachers age

It is relevant for the project development, though, that the weekly availability of the teachers is balanced in the segmentation included in the survey, which is less than 5h per week, between 5 and 10, and more than 10. This means that we can find a significant variety of time disposition to take care of the private lessons.

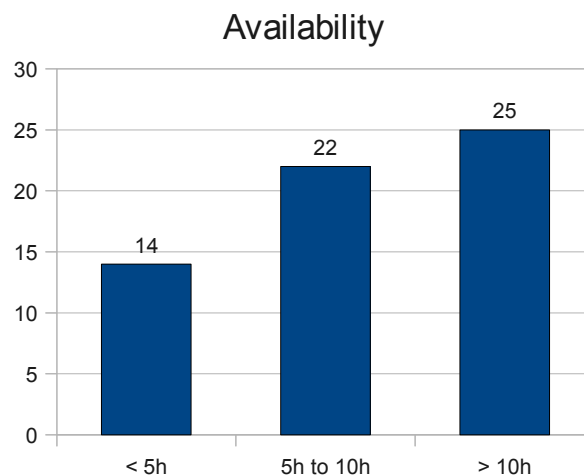


Illustration 9: Candidate teachers availability

Another important result of the research is the salary that the teachers wish to earn per hour of private lesson. Even the biggest percentage wants to earn between 16€ and 20€, and some optimistic ones think that they should earn more than 25€ per hour for doing this job, there is a significant part of the respondents who will be satisfied with a payment of less than 15€ per hour, which is the range that will be considered in the business plan. However, it seems reasonable to convince this considerably big group of candidates which economical requirements are higher with some other kind of advantages, to consider the option as a complement to their income. Also, most of them answered to be interested in working as a part time personal language teacher.

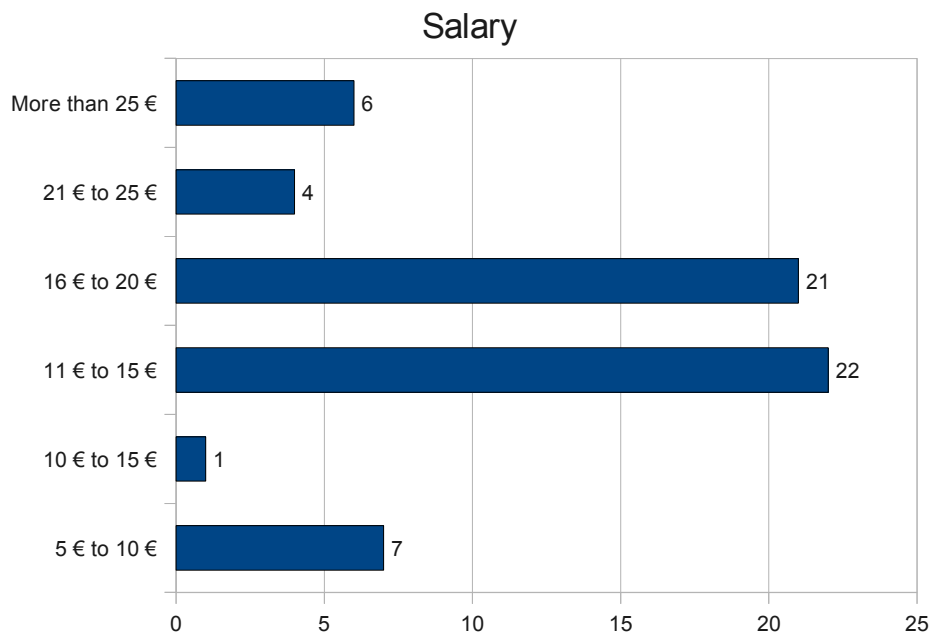
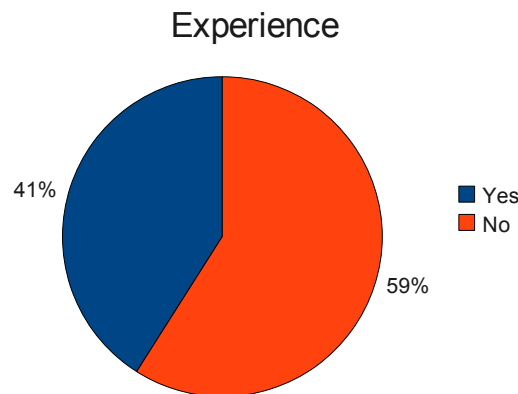


Illustration 10: Expected salary chart

Is important to measure the experience and the language skills of the teachers, specially taking into account that the customers will be in almost all the cases Finnish citizens. The results of the survey shows that 41% of the respondents had some experience in language teaching, which is a positive result.



The average knowledge of Finnish language of the respondents is basic level, but at least, almost all consider to have advanced level in English, so the lessons can be followed with this language.

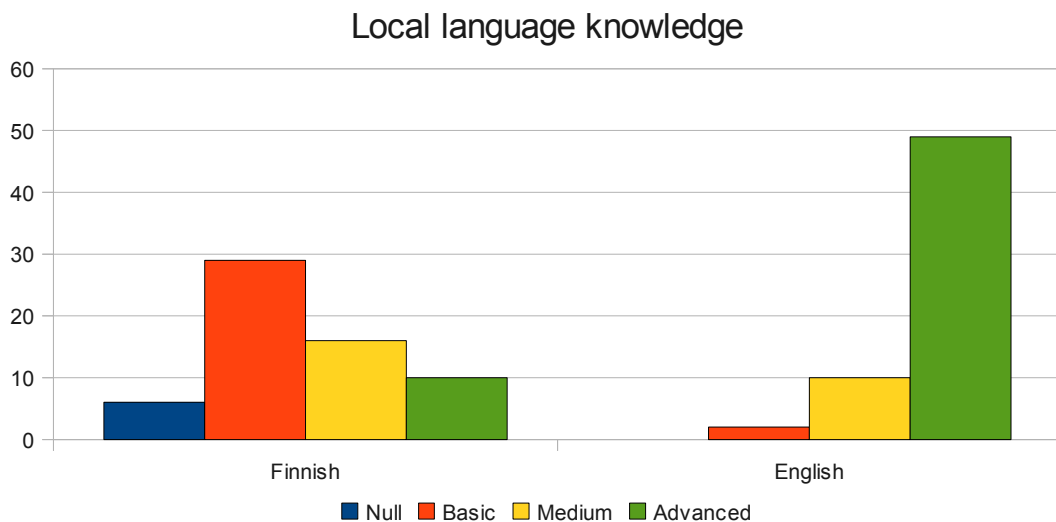


Illustration 12: Language knowledge

This research was directed to foreigners living in Finland, and the answers came from Tampere, Helsinki, Espoo, Hämeenlinna, Kajaani and Sastamala. The biggest sample is from Tampere, from the TAMK students mail list, where seems to have a considerable amount of people interested in becoming a part time teacher. Also the cities of Helsinki and Espoo provided some respondents.

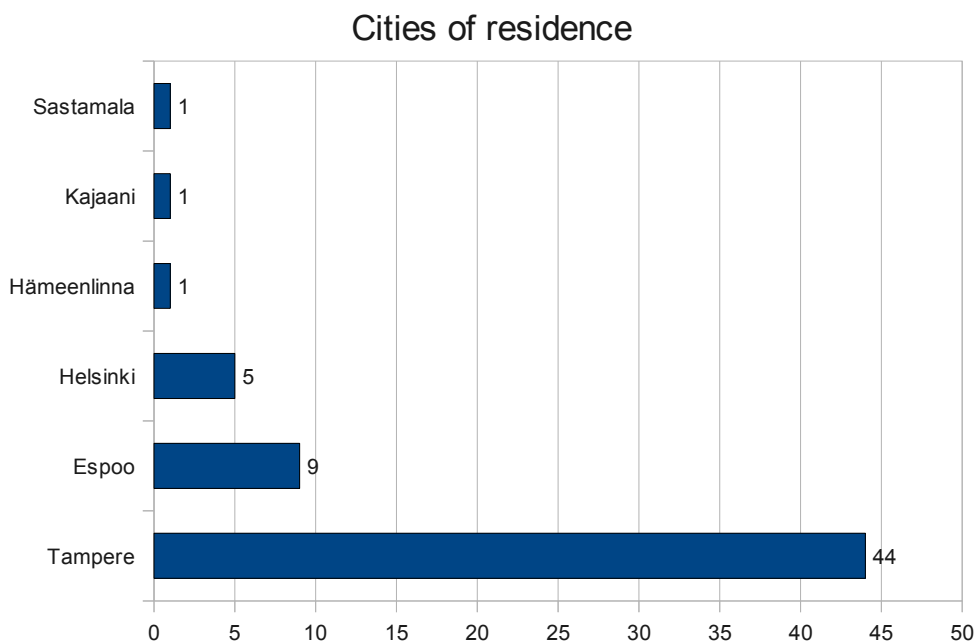


Illustration 13: Cities of residence

However, the project will focus in the city of Tampere, and the rest of the cities will be taken into account only in the chapter dedicated to the expansion of the service to other contexts. For practical reasons, it is convenient to consider more precision about the area of residence, to know if is possible to match the potential teachers with the customers from the most populated areas of the city, or if we will depend on transportation in every case. This is a strategical point of the business, since it has to minimize the resources required, in order to keep a competitive price of the service.

The pins in the following map represent the residence of the respondents who want to work as a part time language teacher. The red pins correspond to the Chinese language teachers, and the blue pins are the teachers with other nationalities. In the hypothetical scenario where these respondents were hired as a teachers for our service, the customers living in the area around this points will have the possibility of having private lessons at home without representing an annoyance for the teacher, or without needing any kind of transportation.

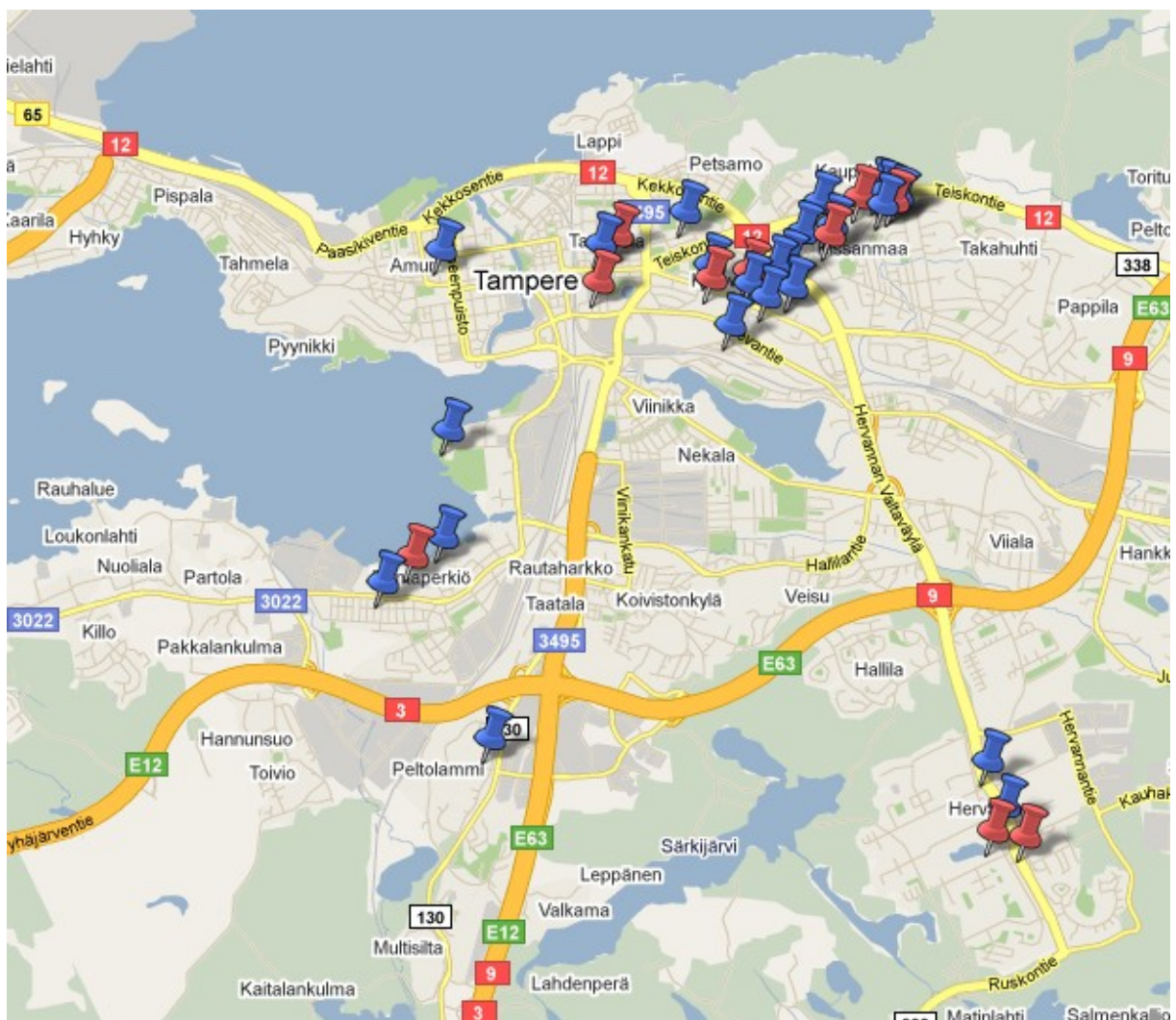


Illustration 14: Teachers in Tampere

Conclusions of the research

As we can see from the survey results, the interest for learning the Chinese language is growing, specially using interactive software and personal teachers instead of the classical methods, and considering Internet as the main source of new customers.

This results can demonstrate that there is a significant target group available, already interested in the service offered. Anyway, another conclusion of the research is that people is also interested in online interactive software, not included in the domain of this project, but it will be considered in the Business plan development.

However, even taking in consideration the absolute numbers (not the percentages), the total amount of people with confessed interest for the service the project can be profitable, and the possibility of finding teachers in the studied area is real. The balance between earnings and costs apparently confirms the feasibility of the idea. This will be confirmed in the financial analysis in the Business plan, but we have an affirmative answer to the first research question. In the next part of this paper, we will answer the other research questions.

Business plan

A business plan is the written document that details the proposed venture. It must describe current status, expected needs, and projected results of the new business (Fry, 1985)

Planning is essential to the success of any undertaking. Planning entails the formulation of goals and directions for the future of a venture. A number of critical factors must be addressed when planning:

- 1. Realistic goals: these must be specific, measurable, and set within time parameters*
- 2. Commitment: the venture must be supported by all involved -family, partners, employees, team members*
- 3. Milestones: subgoals must be set for continual and timely evaluation of progress*
- 4. Flexibility: obstacles must be anticipated, and alternative strategies must be formulated*

(Kuratko, 2001)

Overview

The result of this project will be a new service offered by Kiina-Silta, based in a platform that will allow matching the students with personal teachers, according to their schedule, geography, level and needs. The key of this service will be using the new technologies, providing the easiest solution for organizing their lessons.

However, the service will not be a simple digital announcement board. Instead of that, the professional relationship between the actors involved in the project will also be a strategical point of the business.

The customers will purchase credits that will be consumed with every service. This pre-paid method allows us to work with a reduced amount of economic transactions, and offers many other advantages, as we will see in the following chapters.

In this chapter we will develop a Business plan that describes the main activities related to this new service, from different perspectives. It will use the conclusions and information from the initial research (first part of this paper), and will guide all the steps required for completing this project.

e-Business

"E-business (or electronic business) is the transformation of key business processes through the use of Internet technologies", IBM 1996.

Before talking about Internet, and the importance of it for this project, we should mention another implicit but also very important concept, which is the electronic, or more precisely, digital information. The digital information can be transferred efficiently (that makes Internet possible), processed and copied easily. In other words, lots of activities can be automated if the information is digitalized, and can be safely protected using inexpensive back-ups. As a consequence, a business with an information flow adapted to this technology needs less personnel to do the same

work, and therefore less space is needed for desks, offices and archives.

This project is considering the use of Internet as a communication channel that will make a big difference from the traditional methods also discussed in this paper. Internet provides a great advantage when the objective is to coordinate customers and staffs, geographically distributed. In our case, the strategical activities will be B2C (Business-to-customer) and B2E (business-to-employee), meaning that the company will use the Internet services in order to maximize customer's satisfaction by providing a personalized service, and offering an efficient methodology and teaching guidelines. Another advantage is the reduction of the costs related to infrastructure. In our case, as we mentioned before, the possible expenses related to renting an office are replaced by the fixed costs of the Internet infrastructure and the maintenance services related to it.

"The Internet is a global system of interconnected computer networks that use the standard Internet Protocol (...) to serve billions of users worldwide." Source: Wikipedia

As we will see in the "Web platform" chapter, the knowledge of the company will be concentrated in our Internet platform, but the possibilities of Internet are much more powerful than a simple website. Almost all the Finnish population have Internet access, most of the youth and people who are in working life use Internet daily to read news, check e-mails, etc. So using e-mail to connect with people has become almost as efficient as through phone calls, but less annoying, people can check their e-mails on their own schedule. Communication with teachers and students (staff and customers) will use electronic mail in order to deliver filtered information on time. The messages will provide direct links to the website, reducing the time required for accessing the information. Meetings and interviews can eventually be done using videoconferencing (with tools like Skype, Messenger, gTalk, etc), offering a more personal treatment than just instant messaging or electronic mail. It is also possible to synchronize the electronic agenda with the scheduled lessons, just using a standard iCal file format.

Previous considerations based on the theory

A number of pitfalls in the business plan process should be avoided (...)

- 1. No realistic goals*
- 2. Failure to anticipate roadblocks*
- 3. No commitment or dedication*
- 4. Lack of demonstrated experience*
- 5. No market segment*

(Kuratko, 2001)

During the development of this project, we took some measures in order to avoid the previously mentioned pitfalls. In the first place, the goals of the project seem very affordable since the first drafts, but anyway we marked multiple milestones in our roadmap, making the final objective easy to be reached. Also, small monthly benefits will exceed the reduced startup expenses in a short period of time, reaching profitability in less than a year.

The development of this project involved three personal points of view, each one providing a different perspective. Thanks to this different objective opinions, we developed a comprehensive risk analysis that covers the technical, practical and legal issues.

The commitment is the main ingredient of a successful project, no matter what kind. This is why our roadmap will continuously involve the three persons interviewed. We will also reinforce the link with our customers and staff. Since it is a service based business project, it brings us very close to our customers, in a full time commitment.

In the introduction chapter we presented our shareholders' backgrounds, so we believe our experience is qualified for starting this business project.

In our research we proved that the market is wide open, and the demand of Chinese

language study is increasing day by day, and even with further expansion possibilities.

Language Teaching

The language teaching demand is partially covered in Tampere with traditional lessons imparted by the universities, but the nowadays lifestyle makes this option not suitable for everyone. Also sometimes the demand of Chinese language learning in each area might not meet the minimum requirement (5 students) for schools to organize a course. This service is specially designed for people interested in learning a foreign language (in this particular case, Chinese) at their rhythm, with a flexible schedule and the possibility of practicing with native speakers.

This target group has already the possibility of contacting private teachers, but this option presents many inconveniences for the customer: lack of guarantees, no contract, reliabilities, discipline, unknown teaching skills, safety, background information, legal protections, etc.

From the teacher's point of view, the list of disadvantages is also long: lack of resources, protection, safety, education for teaching, information on market availability, work certificate, contract, taxes, etc.

With our service, we will provide to the customer reliable teachers with known background and evaluated skills, at the same time that the teacher will be protected and legally active in the professional market.

Competitor analysis

There are thousands of websites with Chinese material all around Internet, but they cannot be considered as competitors, since there's no possibility for the student to practice and evaluate the improvements in a controlled way. However, the only company in Tampere that is offering online Chinese courses is Radio86 which belongs to FutuVision Media Ltd. (www.futuvision.com), but the methodology can be considered as a complement than a competitor. As mentioned before, Kiina-Silta has a long term cooperation background with FutuVision. The solid relationship with FutuVision would give us more options and flexibilities with Chinese teaching, it also guarantees that instead competitors we would be partners in this project.

FutuVision has been active for the past decade, it owns a website called Radio86, which offers multiple Chinese-related services, like Learn Chinese - online multimedia teaching material, news, articles about China, travel informations and a online store, Radio86 also organize festivals and seminars related with China. They have many skillful reporters covering Chinese-related stories with different languages, such as English, Finnish, Swedish, Danish, French, etc. They also have a professional Chinese language teacher, who guarantees the development of the high quality Learn Chinese contents.

The research result has shown that some customers would be interested in registering in their online teaching website, as a complement of the personal lessons, and we can offer them special prices for the service, if they would purchase from us. Kiina-Silta could also buy all the teaching material from Radio86's online store, in this case, Kiina-Silta doesn't have to take care of this part of the business, but concentrate on teachers training and customer services. Cooperate with Radio86 is a beneficial option for both companies.

Product description

The service offered consists in finding appropriated language teachers for each customer, and providing an organized teaching methodology, combining assisted self-learning and personal teaching, with all the resources available in Internet. Every customer will have its own profile, and a personal tracking file, allowing to focus the lessons in the preferred interests. Optionally, the service can be complemented with the online teaching material offered by FutuVision.

The convenience of the teacher will be determined by level, experience, availability and geographic area, and to achieve a good level of convenience, the first step is to create a database with the available teachers and their useful information, testing their skills and training them about the methodology.

The system is based in Internet, using resources as web, e-mail and videoconferencing as a main communication methods, and the lectures are following the selected text books. Kiina-Silta will provide a minimum stock of teaching books for the teachers, that will be returned after the lessons, or delivered to the next teacher who needs them.

Customers will have the option of doing a level test, if they have any previous knowledge about Chinese language, in order to determine their skills. After knowing the level and the field, they can choose the book for structuring the lessons. This book can be purchased in any bookstore, or using our online service which would be linked with Radio86 online store to buy books. This second method might be more attractive for the customer, if it includes a minimum pack of credits. In this way, the customer will only have to do a single payment, and will also have access to our website, which would provide them services like booking lessons, contact with teachers and administrative services. However, if he or she prefers to buy the text book in a regular bookstore, it will be necessary to purchase credits separately, before having access to the website. Once the customer has the text book and the

credits, he or she will be able to start learning!

The tasks done by Kiina-Silta service manager are basically related to personnel selection, organization, coordination and supervision, being assisted by the platform.

In the previous diagram, the main interactions are shown, between the manager and the teachers, and the teachers with their students. The selection and further mentoring of the teachers is an essential part, the same as the efficient tracking of the students and their progress, done by the teachers. The communication between the students and the service manager must be minimized, or otherwise this channel will consume too many resources and time. To do so, regular processed communication will flow from the students to the service manager using the feedback questionnaires, and the students will have the possibility of communicate incidences, but the direct communication will be charged with a considerable amount of credits, in order to avoid abuse.

(...)The nature of involvement is shifting towards provision of specialist advice,

guidance and training and evaluation of selection effectiveness (Torrington, 1995)

As the authors of the previous quotation said, integrating the figures of specialist, guide, trainer and auditor in the personnel management are essential, and in this project this task will be assigned to the service manager and so will be illustrated in the chapter “Becoming a teacher”. This is the reason why it is so important to avoid the accumulation of other kind of tasks to the manager.

Joining the service: the customer's experience

One of the important requirements in the Internet based services is to provide maximum flexibility, but at the same time offering trust and making it easy to acquire. Then, the process for applying for the service has to be simple, starting with a welcoming web page, with an explanation of the different services available. If the visitor is interested, there will be a quick single-page level test at only one click (a visible "Next" button) with few questions about the interests, list of contact information, and evaluation questions with progressive difficulty. The results page will be sent automatically by e-mail, with the recommended level for starting, the recommended books, some useful information and a direct link to purchase the book online.

If the visitor is interested in the service and completes the purchase of the book or credits, a notification e-mail will be sent to Kiina-Silta's service manager. As soon as the payment is confirmed, the user account will be activated and a confirmation e-mail will be sent to the visitor, now officially a customer or **student**. The e-mail is informing about the activation of the account, with a link to the entrance page. Since this is the first time accessing to the customer's site, the student will now choose a password, before reaching the home page.

The student's home page is a summary of all the services available and the credit balance, as it can be seen in the draft included in the "Web platform" chapter:

- Library with complementary resources: links, help manuals, templates, online teaching material, etc.
- Direct message to the personal tutor or the teacher
- A list (and a calendar) with the available private lessons in the student's area
- Special booking, to book a private lesson at home or an online private lesson,

if necessary

- special customer offers
- events, activities
- news, announcements

The credit balance will be updated every time a service is purchased. So far, only the verification of the payment has to be done manually by Kiina-Silta, while all the other processes can be made automatically.

It is also possible that the visitor received an e-mail with an invitation to join the service from one of his or her friends¹. In this case, the e-mail will contain the text written by the friend, and a link to the welcome page in the website, following the same process previously specified, with the only difference that the customer's account will already have a few credits from the invitation, so the home page can be visited immediately and some services can be accessed.

¹ See "Promotional strategy" chapter

Becoming a teacher

The other ingredient of this project are the teachers. During the first stage of this project, the method for contacting with new potential teachers will be through the International Office of Tampere's universities (starting from TAMK), asking them to forward our service's website to the foreign Chinese students who might be interested in working with us, or including a reference in the information pages for foreign students in their websites. Another option that has proved to be efficient is to send information using the Chinese-list².

In a similar way than the questionnaire used for the customers, they will answer some questions about contact information (including geographic area), language skills, and professional experience. Also, an automatic test can be included in the process, evaluating the knowledge of Chinese, English and Finnish languages. After that, they will receive an automatic e-mail confirmation. The e-mail will contain the main conditions of the job, and at the end, two links for accepting or rejecting the conditions. This contract can be found in the Appendix D.

Once the contract is accepted, an automatic e-mail with the candidate's information and test results will be sent to Kiina-Silta's service manager informing about the new request; and the next step will be booking a time for the interview. This interview can be personal, but also using videoconferencing or phone, if required, and it will allow the Kiina-Silta's service manager to evaluate the real skills of the candidate.

The teaching methodology is very important in this service, so it will be required to provide some formation for the teachers. This is specially important because of the cultural differences between teachers and students, but also because there is the possibility that the same student can have private lessons with more than one teacher, and the learning process must be consistent. After the interview, the

² Chinese-list is a electronic mail list for commercial information and events, which includes many people in Finland, not only Chinese. See link: <http://list.ayy.fi/mailman/listinfo/chinese-list/>

candidate will receive an e-mail with a link to the web page with the complete explanation of the methodology, with an evaluation test at the end. The teacher will not become active in the platform until the test is passed. For people who is lacking of personal teaching skills but qualified otherwise, will need to receive a training on teaching before being an active teacher.

The service manager will keep an accurate tracking of the progress of each teacher from the moment that the interview is done and the candidate is considered qualified. From that moment, the manager will provide information and advice, also will become the mentor of the new teacher.

The teacher's payment will be done at the beginning of every month, after reviewing the amount of lessons done during the previous month. Again, the platform will provide a very helpful tool for doing this accounting without consuming too many resources. The paying methods will not be detailed in this project, since it will follow the current procedures of the company.

Having a private lesson

When a customer books one private lesson from the list, the credits balance is updated and the teacher who published the available lesson receives a notification. The notification will contain the place and time of the lesson, with basic information of the student and a brief summary about the last session notes, also assignments, then the teacher will bring it to the lesson using the “corporate folder”. Using this information as a starting point, each lesson can be focused to the difficulties detected and keep a record about the student's progress.

The methodology used for the private lesson will be essentially based in Natural/Communicative language teaching approach (Krashen, 1983), focusing in early speech production and later on, in speech activities. The first stage of the method, based on aural comprehension, will be basically done in the self-learning

process previous to the private lessons, using the online resources suggested or, if available, the multimedia resources included in the book. Some grammar and vocabulary will be also acquired during the self-learning stages, assisted by the materials available in the web page.

Once the session is finished, the teacher will take some notes in the lesson's form about the activities done and the topics practiced, then back home or in another moment, update the student's file in the website with this useful information for the next lesson.

Not after every lesson, but periodically, the student will receive a request to give some feedback about the teacher. This will be very valuable information once compared with the feedback provided by other students, in order to evaluate teacher's progress and aptitudes.

Private lessons can be done in a public meeting place, in the customer's place (with an additional cost for the transportation) or by video conference, without varying much in the methodologies, only providing a better service for the customer.

Web platform

As we have seen, the core of this service will be the new website of Kiina-Silta, consisting in two main entrance pages, one for the customers, and another for the teachers. The importance of this infrastructure is crucial for a business model where the workers and the customers are geographically distributed, and most of the processes must be made automatically, reducing the workload of Kiina-Silta's service manager.

One of the biggest advantages of using the logistics (understood as management of the flow of resources and information, instead of goods) provided by a website is the small fixed costs, and even smaller marginal costs of operations; only the starting expenses are considerable, specially when the entire platform is a new development.

Another big advantage is the possibility of expanding the service to other cities without being linked to any physical infrastructure.

The platform will be designed and built specially for this project, which has a modest budget, but as we can see in the cost estimation (Appendix E), the investment is perfectly acceptable for Kiina-Silta. In the following pages, we will present the drafts recommended by the software analyst Oriol Palenzuela Rosés, in a very simplified version of the final platform.

The student will have all the options available from the main page, only requiring one click for booking an available lesson or answering a message. However, all the actions that consume credits will require the student's confirmation.

It will also be possible to cancel personal lessons from the interface, but certain conditions will apply; for instance, except if the lesson is canceled the same day it was booked, part of the credits will not be returned, in order to avoid overbooking.

The links section in the left, will be updated depending on the student's level, activating the Level test once this is available. Special booking menu will allow the user to book periodic lessons if required.

Each student will have a certain number of invitations, following the promotional strategy that other Internet services used (Spotify, Gmail, etc.), like is mentioned in the “Promotional Strategy” chapter. The link will be active only if the student has any invitations left.

The teacher will see all the booked lessons, and will be able to print the required

material for the following appointments. Every time a student completes a level test, the results will be sent to the assigned teacher and will be added to the student's records, even if the correction was done automatically. This will let the teacher update the notes for the following lesson, and remember what mistakes the student did.

Each teacher will be requested periodically to update their availability, which means adding to the calendar the hours that they can offer for private lessons for the following 2-3 weeks. If the teacher wants to, it will be possible to book periodical lessons in the customer's place, but this lessons will be charged additionally, in concept of the transportation and the time spent on it.

When Kiina-Silta's service manager accesses the teacher's home page, some additional options will appear. For instance, the list of students will be replaced by a

teachers list, which includes the people who applied in the website for being a teacher. From this list (using the profile link) it will be possible to view the information and the results of the registration questionnaire, update the information (after the personal interview) and activate or discard the candidates. In the draft we can see the payment confirmation e-mail sent by the bank, so the manager will be able to see the payments made and update the customers credit's account from the same platform.

The service manager will also receive notifications when some student's or teacher's profile has been updated, only if the modification was done in some relevant information, like the home address. This will give us the possibility of reassigning manually some new teacher in the area.

The service manager will have the option of sending a message from the website to all the teachers or students at once. This will not be used frequently, but it can be very useful to communicate relevant changes in the service, that may affect the customers or staff.

All the operations done from the web will be guided and complemented with a help page. This means that the options for each operation will be limited, so the user (student, teacher or manager) will learn very quickly to use the system. Using a web page as a manual has also the advantage that the information can grow, for instance allowing comments from other users of the system.

Improving the customer's experience

Keeping an accurate record of student's and teacher's activities, we can improve our customers satisfaction, in the same way that most of the commercial companies do with tools called CRM (Customer Relationship Management).

CRM is a comprehensive approach for creating, maintaining and expanding customer relationships. (...) CRM does not belong just to sales and marketing. (...) CRM is a way of thinking about and dealing with customer relationships. (Anderson, 2002)

By the early 1990s, the business world suffered a radical change produced by this concept, in that time revolutionary. The business was oriented to the production and distribution of the goods, and whatever happened to the product after being sold was not considered as strategical. In general, the post sale services, like maintenance and information call centers, were only a very expensive but necessary part of the business. Then, the CRM appeared into the big picture as a part of the corporative software, increasing the productivity of call centers, and finally taking part in the core activities. Nowadays, the design itself of most of the products takes in consideration the information collected by the customer's service; at least, is very important to not repeat the same mistakes with the new products.

In our case the system will have different inputs, one in every strategical system process. The teachers will keep a record of every lesson done, as we will explain in the chapter "Having a private lesson". This record will show the student's skills, the interests and difficulties, in order to personalize the methodology and contents used during the learning process. Also, the customer will be asked periodically to provide some feedback about the teachers in particular and the service in general. This can measure the customer's level of satisfaction and highlight the defects or limitations, helping us to improve the service offered in general, but specially concentrated in not repeating mistakes with the same customers.

The records of the regular usage of the website will also be used to feed our particular CRM: a list of the most visited articles can show more about the customer's interest, so we can prepare more articles (as a complementary teaching material) related to these topics. As it is usual in the website design methodology, we can move the most visited links in visible places, making easier for the customer to find them.

As we mentioned in the “Web platform” chapter, most of the notifications will be sent by e-mail. The advantage of this method is that the customer will receive the information immediately, and it can be read anytime, adapting to any schedule. A quick response will improve the customer's satisfaction with the service.

Human Resources Management

One of the challenges of this project is to deal efficiently with a significant amount of workers, since Kiina-Silta has always been a small company. This has been from the beginning, the less comfortable aspect of this project for the company that will implement it, due lack of practical experience. Again, the platform will play a decisive role in this field, guiding and organizing in all the different processes involved:

1. Personnel planning: the system will be able to prepare reports informing about the geographical areas with more visitors and possible customers, so we can concentrate in finding teachers in this areas
2. Recruitment: as we explained in the chapter “Becoming a teacher”, the platform will help us to attract and select our language teachers. The attraction will be done basically by electronic mail (as it will be explained in the implementation chapter “Stage 1: finding teachers”), and part of the selection process will be done by automatic skills test.
3. Skills management: every teacher will have a personal report with the skill tests results, the manager observations and the feedback provided by the

students. With all this information, the manager can keep an accurate record about the progress of each worker

4. Training: the application process requires a brief training about the methodologies, complemented with a online test, as explained in the chapter “Becoming a teacher”. After being accepted as a teacher, the workers will be asked to do some regular training and evaluation, specially if some issue is detected from the feedbacks. This training will not take much time (just reading some pages of information and answer a test), but will contribute in improving the quality of the service.
5. Compensation: the system will prepare a monthly report with the total amount of private lessons done for each teacher, and the correspondent amount. This report will be sent automatically to the manager, in order to pay the salary to the teachers.
6. Time and place management: the platform is offering a real time schedule with the timetable of every teacher, and makes possible to organize a replacement for a private lesson, if for some reason the teacher cannot assist on time. The planning is relatively simple, since the only tasks to organize are the private lessons.
7. Travel management: in some cases, the customers will ask for periodic private lessons at home. In this case, the time required for traveling from the teacher's place to the student's will be taken in consideration and charge it to the customer. In the future, is possible to link the system with external tools (like Google Maps) in order to help the teacher to find the customer's place easily.
8. Performance appraisal: using the feedback reports and the skill tests results, we can improve the teachers' commitment and motivation by offering some kind of compensation.

9. Labor relations: as we said in the chapter “Improving the customer's experience”, the communication with the customers is very important for the success of this project, and in the same way the manager will have a clear communication channel with all the staff.

STEP Factors

Socio-cultural

The main target group for this service will be basically the people who are in working age, about 60% of the population of Tampere. These people might be interested in learning a foreign language such as Chinese in order to be more competitive in the business field or just as a hobby, but they don't have a chance to take regular lessons in a language school.

As we could see from the surveys³ there is a considerable amount of people interested in learning Chinese, but the existent offer for non-degree students is just testimonial.

In the particular case of Tampere, the knowledge of foreign languages is very extended in the population, and also an appreciated skill, at the same time that there is a considerable amount of foreign students.

Technological

Technology is one of the strategical points of the project, since most of the processes are based in a technological platform. This leads us to an important cost reduction, scalability, and a better integration with the modern lifestyle. However, it is important to consider that Kiina-Silta's expertise field is unrelated to this high-end technologies, and be aware of the risks that might be implied.

In this project, Internet is the materialization of the technological factor, but it represents much more than a tool. In the first place, Internet is a communication channel that also contains social networks, which can be used as a quick and

³ see "Current situation in Tampere" chapter for a more detailed analysis of the surveys

virtually cost-free promotional resources. Also, services like e-mail, instant messaging, videoconferencing or the web itself can be used as inexpensive communication channels, at the same time that provides a very efficient way of keeping a record of the information sent and received.

Economical

The global economical situation is not favorable to big personal investments. With this service, the customer will be able to adjust the service fee if, for instance, he or she won't be able to use during some period of time.

The format of this service presents big advantages in front of the traditional lessons and the private teacher. The pre-payment method is a big advantage for the user, who can purchase credits whenever he or she considers necessary, avoiding fixed monthly costs or long-term contracts.

If the customer wants to learn the language quickly, and has enough resources to do so, it's possible to book as many private lessons as he or she wants. However, if during some period of time, the customer cannot spend too much time with the lessons, there's no compulsory assistance and therefore costs to assume, having the possibility to leave the training in a minimum stand-by.

It is also a big advantage that the private lessons can be done both in a public meeting area (a bar, coffee, or even a park if the weather is good) or at customer's office or home, providing a much more comfortable learning environment for a little higher cost.

Political

China has been actively present in the media during the past 2-3 years, in part thanks to the Olympic games of Beijing in 2008 and the International Expo of Shanghai in 2010, and in the same way with the business field. Lots of companies are sending their delegations or representative to this country, making the language more important day after day. Providing the language knowledge to those workers who visit the customers or providers in China will suppose an improvement of their individual skills, and make the company more competitive.

Finland has a significant level of immigrants, and finding a job is the first step to avoid possible social marginality. With this project, we can offer a chance of finding a job to part of this social group, and also to meet Finnish citizens, enhancing the communication skills.

SWOT-analysis

Strengths

1. Low initial capital required: the initial investment appears to be easily affordable for the company, without depending on any external financial source.
2. Low personnel training costs: the formation on language teaching methods can be partially done with written material, combined with automatic online tests, without requiring a professional trainer. Part of the workers will already have experience as personal teachers.
3. Experience in the teaching field: since Kiina-Silta's manager has experience in the field, is not necessary to hire anyone specially to take care of the mentoring and assistance to the teachers.
4. Flexibility: the structure of the methodology makes possible to have a flexible amount of teachers and students, without modifying the net expenses, since the income is produced by the service given.

Weaknesses

1. Season ability of some services: it will be necessary to do some promotional campaigns to keep a high level of activity during holiday periods
2. Small business: big investments are not required, but Kiina-Silta cannot afford a quick expansion of the business
3. Non-professional teachers: even some of them will have previous experience in the personal teaching field, the individual training will be somehow required; also, teachers who spend just a few hours per week working for this service,

will need some positive reinforcement for keeping the loyalty and motivation.

Opportunities

1. Existing and active company: the company is fully active, and is possible to focus on the strategical point instead of having to analyze minor details from other perspectives.
2. Best moment ever for offering Chinese language: thanks to the Olympic games of 2008, and Expo in Shanghai 2010, China is every day in the media.
3. Since there's an economic benefit for the foreign student, we may get some help from the universities, placing a link to the service in the information web pages

Threats

1. Low market penetration levels: with a reduced target group and low promotional budget, finding new customers in the same area will not be easy. Some marketing strategies were designed for this purpose
2. Economical decline: is not a good economical moment for new investments, but the model of business offers lots of advantages to the customer, specially useful for unfavorable periods of time

Promotional strategy

To keep a reduced start-up capital, it might be interesting to use the current customers database of Kiina-Silta to do a mailing campaign announcing the new service, once the platform is created and the first set of teachers are contacted. With this inexpensive solution we might find a few customers, that will let us acquire experience and correct some functional issues that can appear during the first months of the service.

Since most of the channels of the service are related to Internet, it is interesting to target the group of regular Internet users as a potential customers. Trying to sell the product to those people who are not familiar with the Network will be probably a waste of resources. Nevertheless, as we could conclude from the research, Internet is the preferred channel for finding information about language teaching (4 out of 5 points), so we will use it as a complementary promotional media. A good inexpensive option can be creating a group in Facebook for the students.

The personal teacher will bring a folder with the basic teaching material to the private lessons; this folder will have the company's logo and the website big enough to be useful as an advertisement. However, this will become handy to recognize the personal teacher in the first meeting.

Another strategy that will be useful to find more customers without having to invest money on it is using "invitations". Every customer will get one after passing a test, and he or she will be able to send those invitations by mail to his friends; each one of this invitations will allow them to enroll the language course for a limited time, to try it.

All the services from the website will be paid by credits, and those credits can be purchased with distinct methods. In this way, the customer won't have a direct pricing of each service in Euro, but it will be in fact a pre-payment system, very easy to administer.

Promotions for Summer

During the summer, it will be more difficult to keep the regular private lessons, since some of the customers might be on vacation, but in the other hand the teachers will have a more flexible timetable. In that point, Kiina-Silta will reorganize the available teachers' schedule offering intensive language courses with a lower price per hour, in order to attract new customers for the following season. This courses will be done scheduling many lessons one after the other and in a fixed place, so the teacher does not have to spend time between lessons. In this way, the earnings per day will be profitable for the teachers even the price per hour is not very high, and at the same time the customer will have access to very competitive prices in private language lessons, maximizing the results obtained.

Startup expenses

Sources of Capital

<u>Owners' Investment (name and percent ownership)</u>	
Kiina-Silta 50%	2.000,00 €
Sofia Zhao 25%	1.000,00 €
Oriol Palenzuela Rosés 25%	1.000,00 €
Other investor	0,00 €
Total Investment	<u>4.000,00 €</u>

<u>Bank Loans</u>	
Bank 1	0,00 €
Bank 2	0,00 €
Bank 3	0,00 €
Bank 4	0,00 €
Total Bank Loans	<u>0,00 €</u>

<u>Other Loans</u>	
Source 1	0,00 €
Source 2	0,00 €
Total Other Loans	<u>0,00 €</u>

Startup Expenses

Buildings/Real Estate

Purchase	0,00 €
Construction	0,00 €
Remodeling	0,00 €
Other	0,00 €
Total Buildings/Real Estate	0,00 €

Leasehold Improvements

Item 1	0,00 €
Item 2	0,00 €
Item 3	0,00 €
Item 4	0,00 €
Total Leasehold Improvements	0,00 €

Capital Equipment List

Furniture	0,00 €
Equipment	50,00 €
Tangible teaching material	200,00 €
Machinery (platform)	1.840,00 €
Other	0,00 €
Total Capital Equipment	2.090,00 €

Utility deposits (water, electricity, Wlan etc)	0.00 €
Legal and accounting fees (HR, Bookkeeping)	0.00 €
Prepaid insurance	0.00 €
Pre-opening salaries (2-3 months usually)	0.00 €
Other	0.00 €
Total Location and Admin Expenses	0.00 €

Opening Inventory

Category 1	0.00 €
Category 2	0.00 €
Category 3	0.00 €
Category 4	0.00 €
Category 5	0.00 €
Total Inventory	0.00 €

Advertising and Promotional Expenses

Advertising	100.00 €
Signage	0.00 €
Printing	100.00 €
Transportation	0.00 €
Other/additional categories	0.00 €
Total Advertising/Promotional Expenses	200.00 €

<u>Other Expenses</u>	
Business Registration & legal	0,00 €
Other expense 2	0,00 €
Total Other Expenses	0,00 €

<u>Reserve for Contingencies</u>	200,00 €
---	-----------------

<u>Working Capital</u>	0,00 €
-------------------------------	---------------

Summary Statement

<u>Sources of Capital</u>	
Owners' and other investments	4.000,00 €
Bank loans	0,00 €
Other loans	0,00 €
Total Source of Funds	4.000,00 €

<u>Startup Expenses</u>	
Buildings/real estate	0,00 €
Leasehold improvements	0,00 €
Capital equipment	2.090,00 €
Location/administration expenses	0,00 €
Opening inventory	0,00 €
Advertising/promotional expenses	200,00 €
Other expenses	0,00 €
Contingency fund	200,00 €
Working capital	0,00 €
Total Startup Expenses	2.490,00 €
<i>Gap</i>	<i>1.510,00 €</i>

Sales projection

Sales price / unit (Eur)	2011											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Private lesson (1h)	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €
Book	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €
Online lesson (1h)	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €	15,00 €
email query	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €	0,10 €
online test	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €	5,00 €

COGS / unit (Eur)	2011											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Private lesson (1h)	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €	10,00 €
Book	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €	25,00 €
Online lesson (1h)	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €	7,00 €
email query	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
online test	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €

Sales volume (pcs)	2011											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Private lesson (1h)	20	28	36	40	48	80	80	80	50	50	50	40
Book	5	2	2	1	2	5	2	2	2	2	2	2
Online lesson (1h)	5	7	9	10	13	10	10	10	10	10	10	8
email query	10	14	18	20	22	20	21	22	20	20	20	20
online test	-	-	5	2	2	2	2	10	2	2	2	5

Sales, Eur	2011											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Private lesson (1h)	500,00 €	700,00 €	900,00 €	1.000,00 €	1.200,00 €	2.000,00 €	2.000,00 €	2.000,00 €	1.250,00 €	1.250,00 €	1.250,00 €	1.000,00 €
Book	200,00 €	80,00 €	80,00 €	40,00 €	80,00 €	200,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €
Online lesson (1h)	75,00 €	105,00 €	135,00 €	150,00 €	195,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	120,00 €
email query	1,00 €	1,40 €	1,80 €	2,00 €	2,20 €	2,00 €	2,10 €	2,20 €	2,00 €	2,00 €	2,00 €	2,00 €
online test	0,00 €	0,00 €	25,00 €	10,00 €	10,00 €	10,00 €	10,00 €	50,00 €	10,00 €	10,00 €	10,00 €	25,00 €
Total Revenues	776,00 €	886,40 €	1.141,80 €	1.202,00 €	1.487,20 €	2.362,00 €	2.242,10 €	2.282,20 €	1.492,00 €	1.492,00 €	1.492,00 €	1.227,00 €

COGS, Eur	2011											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Private lesson (1h)	200,00 €	280,00 €	360,00 €	400,00 €	480,00 €	800,00 €	800,00 €	800,00 €	500,00 €	500,00 €	500,00 €	400,00 €
Book	125,00 €	50,00 €	50,00 €	25,00 €	50,00 €	125,00 €	50,00 €	50,00 €	50,00 €	50,00 €	50,00 €	50,00 €
Online lesson (1h)	35,00 €	49,00 €	63,00 €	70,00 €	91,00 €	70,00 €	70,00 €	70,00 €	70,00 €	70,00 €	70,00 €	56,00 €
email query	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
online test	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Total COGS	360,00 €	379,00 €	473,00 €	495,00 €	621,00 €	995,00 €	920,00 €	920,00 €	620,00 €	620,00 €	620,00 €	506,00 €

Cash flow

Cash at Beginning of Year	2011 YTD											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Operations												
Cash receipts from customers	776 €	886 €	1.142 €	1.202 €	1.487 €	2.362 €	2.242 €	2.282 €	1.492 €	1.492 €	1.492 €	1.227 €
Cash paid for												
General operating and administrative expenses	0 €	0 €	0 €	0 €	-50 €	-50 €	0 €	0 €	0 €	0 €	0 €	0 €
Wage expenses (social costs)	-400 €	-559 €	-719 €	-799 €	-971 €	-1.479 €	-1.479 €	-1.479 €	-969 €	-969 €	-969 €	-775 €
Interest	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Income taxes												
Net Cash Flow from Operations	377 €	327 €	423 €	403 €	467 €	833 €	763 €	803 €	523 €	523 €	523 €	452 €
Investing Activities												
Cash receipts from												
Sale of property and equipment												
Collection of principal on loans												
Sale of investment securities												
Cash paid for												
Purchase of property and equipment	-2.090 €											
Making loans to other entities												
Purchase of investment securities												
Net Cash Flow from Investing Activities	-2.090 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Financing Activities												
Cash receipts from												
Issuance of stock												
Borrowing												
Cash paid for												
Repurchase of stock (treasury stock)												
Loan payoffs	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Dividends												
Net Cash Flow from Financing Activities	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Net Increase in Cash	-1.714 €	327 €	423 €	403 €	467 €	833 €	763 €	803 €	523 €	523 €	523 €	452 €
Cash at End of period	2.287 €	2.614 €	3.036 €	3.439 €	3.906 €	4.739 €	5.502 €	6.305 €	6.828 €	7.351 €	7.874 €	8.326 €

Risk analysis

The purpose of a risk analysis is to provide information to help make better decisions in an uncertain world. A decision-maker has to work with the risk analyst precisely to define the questions that need answering (Vose 2008).

In the type of business that we are studying, based on services, the risk management is reduced in comparison with other models where goods (specially perishable ones) are involved, or when the dependency on external finances is high.

The language consultancy service for Kiina-Silta has already some big advantages from the risk management point of view. In the first place, the pre-payment method provides us the income before the service is consumed. Combined with a monthly payment to the teachers, it brings us a considerable economic margin.

N	Description	L⁴	I	R	Measures
	Our customers have not purchased any credits for a period of time	L	L	L	No credits consumed means no service offered, and means zero variable costs
	A teacher with assigned students quits	L	H	H	The signed contract must specify that the teacher has to complete all the booked lessons before quitting. We should assure that more than one teacher is covering a particular area, so the students can be transferred

4 Columns relative to Likelihood, Impact and Risk Rating values are Low, Medium or High

N	Description	L	I	R	Measures
	A teacher offers private lessons to the student without using the service provided by Kiina-Silta (or the student requests it)	L	H	M	The signed contract must specify that the teacher cannot offer any kind of service with the customer, without the explicit acceptance of Kiina-Silta.
	A teacher is not following the methodologies requested or the schedules	M	L	M	A periodical feedback will be asked to the customers, in order to evaluate the quality of the service
	Some shared material, like the teaching book, is lost or damaged	M	L	L	It will be required to have at least one spare copy of each book. The cost of the book will be charged to the teacher, as it will be specified in the contract.
	Student passwords can be guessed or cracked	M	M	M	We will invite them to renew the password periodically
	Teacher passwords can be guessed or cracked	M	H	H	Passwords will expire periodically Teachers will be notified by mail The information of the platform will be backed-up daily, allowing to restore possible manipulations
	The platform fails, or it cannot provide the service	L	H	M	The services provider must offer maximum warranties.
	The service manager is not available for a period of time	L	H	M	At least two members of Kiina-Silta will be trained for using the platform with the common tasks

Implementation

The implementation of this project will be divided in three different stages, focusing on the specific threats and challenges of every step. A preliminary required step will be preparing the starting information in the platform, like basic web contents, questionnaires and references to useful material.

Stage 1: finding teachers

The objective of the first stage is to contact the potential teachers individually and evaluate, using the data obtained in the surveys, the viability of the project.

The easiest way to contact potential teachers might be in universities and polytechnics around the city. Probably it will be enough to have an interview with the person who is in charge of International department to have the opportunity of contacting by e-mail with the Chinese degree students that are currently in the city.

In this e-mail, the Chinese students will be invited to participate in the project, and if they are interested and reply the e-mail, a personal interview will be scheduled. In the interview the candidate skills, experience and availability will be evaluated, and he or she will be informed with the conditions of the service.

In the following years, once the service is fully established, the way of contacting the students might be different, requiring less effort from the company. This could be done including some commercial in the university's website or guide.

Stage 2: finding customers

In the second stage, the objective will be finding potential customers and matching them with the available teachers. The resources that are planned to be used are

specified in the chapter “Promotional strategy”, starting with a reduced group of students from the current customer's database of Kiina-Silta, so we can focus in the quality of the service and detect and correct any incidence.

At least during the first months of operation, is interesting to moderate the growth in order to assure the maximum quality of the service, at the same time that we avoid significant costs in publicity. However, once the service is stable, is potentially easy to find new customers, first contacting the universities in Tampere and using Internet at the same time.

Stage 3: merging

The third stage will consist in merging the service with Kiina-Silta, and the main challenge is to prevent the interferences with the company's current services.

This service shouldn't represent an additional workload for the company. Instead of that, it will be a complement of the current offered services. Kiina-Silta has already experience in working with language teaching material and online resources, which will be very useful for this project.

Deploying the resources in other contexts

The project is based in the situation of Tampere, but the system can be exported to other cities and even to other languages. As we could see in the map representation of teacher candidates, there is a big amount of foreigners interested in becoming private language teachers in Tampere.

For instance, to provide the same service in Helsinki, with a much bigger target group, the only requirement will be to contact the teachers in the area. This can be done in a similar way than in Tampere (this is, through the Universities' International department), and interviewing them personally or with a representative. The advantage is that the same learning platform can be used, so the start-up budget won't be significant.

Conclusions

The purpose of this paper was to answer the following research questions:

How can we satisfy the demand of language private teaching and provide job opportunities to foreigners, obtaining a benefit from it? How to allocate the right teacher with the customer? How to bond the trust with the customers and the teachers? How to maximize the marketing performance with minimum budget? What potential has the business to be expanded in the future?

The answers to all these questions were found during the development of this work, and we can briefly summarize in this conclusions. In the first research chapters we measured the demand of Chinese language teaching, and we proved that there are enough Chinese foreigners in Tampere area willing to become private language teachers, that the demand can be satisfied. With the Cash Flow Statement we estimated a positive balance after the first months, enlarging the benefits quickly when increasing the amount of customers, keeping a very competitive service price.

Thanks to a strong link between the service manager and the teachers, with a permanent training policy we can warranty a solid bond with our customers. The flexibility of the service can keep their loyalty during the learning process and even further.

Internet is a great resource for inexpensive and efficient marketing campaigns, as we explained in the “Promotional strategy” chapter. With a very low advertisement budget we can achieve a progressive but effective impact in our target group.

As a part of our research, we measured a very interesting variety of languages with potential teachers available in the metropolitan area of Tampere, that combined with a good selection of teaching material could satisfy the demand of this languages; however, since the research was focused in the Chinese language, this possibility

would have to be analyzed in the future, to determine the actual demand of each one of these languages. Anyway, the methodology and the platform could be used for all of them, also covering the demand of other cities, as we explained in the chapter called “Deploying the resources in other contexts”.

Bibliography and references

- Anderson, Kristin, (2002) *Customer relationship management* McGraw-Hill
- Barrow, Colin et al. (2006) *The successful Entrepreneur's Guidebook (2nd ed)* Kogan Page
- Eriksson, Päivi & Kovalainen, Anne (2008) *Qualitative Methods in Business Research* SAGE
- Fred L. Fry and Charles R Stoner, (1985) “Business plans: two major types”, *Journal of Small Business Management*
- Kuratko, Donald F. & Cirtin, Arnold , (1990) “Developing a business plan for your clients”, National Public Accountant,
- Kuratko, Donald F. & Hodgets, Richard M. (2001) *Entrepreneurship*
- Silverman, David (2001) *Interpreting qualitative data (3rd ed.)* SAGE
- Silverman, David (2009). *Doing Qualitative Research (3rd ed.)* SAGE
- Torrington, Derek & Hall, Laura (1995) *Personnel Management (3rd ed)* Prentice Hall
- Krashen, Stephen D. & Terrell, Tracy D. (1983) *The natural approach: language acquisition in the classroom*
- Vose, David (2008), *Risk analysis: a quantitative guide*
- Wisker, Gina et al. (2008) *Working one-to-one with students* Routledge

References in the web

- Office for National Statistics website (<http://www.ons.gov.uk/about/who-we-are/our-services/data-collection-methodology/what-is-qualitative-research->)

Illustration Index

Illustration 1: Would you like to learn Chinese? (TAMK).....	16
Illustration 2: Would you like to learn Chinese? (ideapark).....	16
Illustration 3: Interests about China.....	17
Illustration 4: How important are oral/written skills?.....	18
Illustration 5: What methodology you would prefer?.....	19
Illustration 6: How will you find information about language teaching?.....	20
Illustration 7: Candidate teachers gender.....	21
Illustration 8: Candidate teachers age.....	21
Illustration 9: Candidate teachers availability.....	21
Illustration 10: Expected salary chart.....	22
Illustration 11: Experience in language teaching.....	23
Illustration 12: Language knowledge.....	23
Illustration 13: Cities of residence.....	24
Illustration 14: Teachers in Tampere.....	25
Illustration 15: Personnel organization diagram.....	34
Illustration 16: Student's home page draft.....	41
Illustration 17: Teacher's home page draft.....	42
Illustration 18: Teacher's admin home page draft.....	43

Appendix A: TAMK survey

This survey was sent to all the TAMK students using the online questionnaire.

1. Gender

- Female
- Male

2. Age

- Under 20
- 20 – 30
- 31 – 40
- 41 – 50
- Over 50

2.1. Occupation: _____

3. Would you like to learn Chinese?

- No
- I am interested in Chinese
- I am going to start within 2 years
- I am learning / I have learned Chinese before

4a. How important are oral skills? [1 – 2 – 3 – 4 – 5]

4b. How important are written skills? [1 – 2 – 3 – 4 – 5]

5. Why are you interested about China?

- Business [1 – 2 – 3 – 4 – 5]
- culture [1 – 2 – 3 – 4 – 5]
- medicine [1 – 2 – 3 – 4 – 5]

- travel [1 – 2 – 3 – 4 – 5]
- something else [1 – 2 – 3 – 4 – 5] Specify:

6. What methodology you would prefer for learning Chinese?

- Books [1 – 2 – 3 – 4 – 5]
- online material [1 – 2 – 3 – 4 – 5]
- Personal teacher [1 – 2 – 3 – 4 – 5]
- Regular class [1 – 2 – 3 – 4 – 5]
- Television [1 – 2 – 3 – 4 – 5]
- Radio [1 – 2 – 3 – 4 – 5]
- Something else [1 – 2 – 3 – 4 – 5] Specify:

Appendix B: ideapark survey

1. Gender

- Female
- Male

2. Age

- Under 20
- 20 – 30
- 31 – 40
- 41 – 50
- Over 50

3. Would you like to learn Chinese?

- No
- I am interested in Chinese
- I am going to start within 2 years
- I am learning / I have learned Chinese before

4a. How important are oral skills? [1 – 2 – 3 – 4 – 5]

4b. How important are written skills? [1 – 2 – 3 – 4 – 5]

5. Why are you interested about China?

- Business [1 – 2 – 3 – 4 – 5]
- culture [1 – 2 – 3 – 4 – 5]
- medicine [1 – 2 – 3 – 4 – 5]
- travel [1 – 2 – 3 – 4 – 5]
- something else [1 – 2 – 3 – 4 – 5] Specify: _____

6. What methodology you would prefer for learning Chinese?

- Books [1 – 2 – 3 – 4 – 5]
- online material [1 – 2 – 3 – 4 – 5]
- Personal teacher [1 – 2 – 3 – 4 – 5]
- Regular class [1 – 2 – 3 – 4 – 5]
- Television [1 – 2 – 3 – 4 – 5]
- Radio [1 – 2 – 3 – 4 – 5]
- something else [1 – 2 – 3 – 4 – 5] Specify: _____

7. How important you consider this methods for finding information about language teaching?

- Universities and polytechnics [1 – 2 – 3 – 4 – 5]
- Internet search [1 – 2 – 3 – 4 – 5]
- Evening school [1 – 2 – 3 – 4 – 5]
- Library [1 – 2 – 3 – 4 – 5]
- Yellow pages [1 – 2 – 3 – 4 – 5]
- Employer [1 – 2 – 3 – 4 – 5]

Appendix C: potential teachers survey

1. Gender

- Female
- Male

2. Age

- Under 20
- 20 – 30
- Over 30

3. City of residence: _____

4. Area of residence: _____

5. Nationality: _____

6. Mother tongue: _____

7. Do you have any professional experience about personal teaching?

- No
- Yes, more than 1 year
- Yes, more than 3 years

8. What's your level of: Finnish? [1 – 2 – 3 – 4 – 5]

9. What's your level of: English? [1 – 2 – 3 – 4 – 5]

10. What's your level in another language? [1 – 2 – 3 – 4 – 5] Which one? _____

11. Are you working now?

- Yes
- No

12. Would you like to work as a language teacher?

- Yes
- No

13. How much time would you have for part time job?

- Less than 2 hours per day
- 2 to 4 hours per day
- More than 4 hours per day

14. How much you think you should earn per hour?

- 5€ to 10€
- 11€ to 15€
- 16€ to 20€
- 21€ to 25€
- More than 25€

Appendix D: teacher contract

When the teacher accepts to use our service, it will be necessary to sign an agreement. This agreement will be electronically signed when accepting the conditions before logging into the website as a teacher for the first time.

Part of the conditions of the contract will be, combined with the required by Kiina-Silta, the following:

1. The teacher accepts to receive formation if it is considered necessary for the correct development of the lessons.
2. No payments will be accepted during the private lessons. All the cash flow will be administered by Kiina-Silta
3. The communication between students and the teacher will be through the message system of the platform
4. The teacher cannot provide personal contact information to the students without the explicit authorization of Kiina-Silta.
5. The teacher cannot use the resources (including books and website resources) offered by Kiina-Silta for private interest.
6. The teacher cannot offer private language lessons by his or her own during the time is working with Kiina-Silta
7. After finishing the collaboration contract with Kiina-Silta, the teacher will return the material and won't be allowed to use the teacher resources or the contacts for personal interest.

This conditions are necessary to protect the normal functioning of the service, and the interests of the customers.

Appendix E: platform development cost estimation

After completing an accurate requirements analysis of the web platform, it has been estimated as follows. Since Kiina-Silta does not own a website at this moment, the acquisition and development of a basic one is also included. The observations done by the software analyst are included in this appendix, after the cost estimation, in order to provide a more extensive technical information, and the drafts are included in the body of the Product Description chapter.

Concept	Cost
Internet domain (1 year)	55,00 €
Professional hosting (1 year)	85,00 €
Basic public website configuration (based on Drupal)	40,00 €
Teacher's site development: home page and specific functions	900,00 €
Student's site development: home page and specific functions	600,00 €
Website maintenance (1 year)	160,00 €
Total	1.840,00 €
Yearly expenses	300,00 €

The platform designed will use the software Drupal as the content management system that will hold the basic public website and some external resources and links. This tool has been chosen because is provided by the professional hosting and it does not need advanced computing knowledge for adding contents. The main development will be the students' and teachers' sites, which will be coded in PHP and will share a big percentage of the code between both modules, reducing costs. The biggest development at this point is the software for creating, executing and evaluating questionnaires, which will be used for the registration level tests, teacher skills evaluation, student's progress tracking and feedback. Both sites will consist in a home page (with log-in required) with all the functions available for each profile. Every link will open a new pop-up window with a function-specific page, keeping the

home page always active and stable.

The maintenance service agreed, covers the correction, upgrade and common tasks (back-ups, new user creation, etc), which will be very punctual after the service is started. The total yearly expenses can be reduced by 20% if three years are purchased at once.