

## **ABOUT**

iCITE is primarily conceived as a mobile app through which individuals and professionals can access laws and regulations of every country in the globe using devices such as mobiles, tablets, PCs, smart TVs and e-books. This project report will identify the various components of the business model and demonstrate how all the modules fit together, to successfully aid the development and subsequent marketing of the iCITE application.

### **Value Proposition Validation**

The team discovered that there is a strong need for law information through personal interviews, survey feedback and individual communiques. Customers were interested in finding solutions that would address the issue of sorting through the voluminous amount of complex law information that is currently available online.

Interviews revealed that customers were interested in accessing relevant law information via mobile devices, preferred substantially improved services than what was available at present. During the interaction, several opportunities to improve the delivery and utility of law information came into focus. This expanded iCITE's understanding of what was on the individual consumer's wish list, and helped understand consumer need better.

While analyzing the composite information against the initial value propositions, each of the initial value propositions was validated. To stay focused, only a very small set of new hypotheses was prepared, to continue the business model discovery process.

As the business model develops, the initial product/service offering will be pursued. In addition, effort will be made to improve the offering to converge to a market fit for each customer segment.

In addition to the core idea, consumers have emphasized features such as ease of use, topic relevance, personalization and non-distracting information, as pertinent. To quote a consumer, they are expecting a professional and personal law information assistant that can "deliver the correct answer now".

## Proposition Adjustments

Based on the evaluation of the value proposition, iCITE is confident that the individual consumer would use the internet to obtain law information. Likewise there is a strong B2B segment consisting of law professionals and business houses.

### *Lawyers vs. software*

Interviews suggest various degrees of reliance on the information to guide personal actions. For example, an individual consumer who was formerly a small business owner would not rely on internet law information services. The small business owner preferred to hire an attorney. The information and advice of an attorney was perceived to be more reliable.

### *Can iCITE replace an attorney?*

Several individual consumers who would seek law information for personal needs would do so to avoid the cost associated with attorneys. There was little indication or discussion regarding seeking administrative law information, such as a Code of Federal Regulations. The use of the internet to obtain and navigate the Code of Federal Regulations was not tested per se in the individual consumer market segment.

### *Are knowledge maps the way to go?*

iCITE app is relying on the use of knowledge maps to serve content in a unique multimedia format. Hypotheses that will determine consumer interest in this technology, and whether the customer is willing to pay for using knowledge maps while accessing Federal Regulations have yet to be undertaken. Once in place, it will help us determine which customer segment is more than willing to pay for these kinds of services.

### *Takeaways*

A segment of consumers indicated that cost of an attorney was a driving factor for app usage. This means that if the cost of the app is positioned correctly in the app market, it could attract good business. However there are certain consumers who are interested in paying for relevant information, and they would be categorized into a different customer segment.

Some consumers were only interested in collections of statutes while others were interested only in collections of regulations. This could also be a distinguishing aspect between a B2C and B2B customer segment.

A customer specific value proposition that discriminates between collections of statutes and collections of regulations would have to be developed and tested to determine whether the product/service offering is a fit for customer demand. It has not yet been evaluated, but could be considered while preparing marketing plans.

Some customers prefer actual lawyers to software. It would make greater sense to them, if the app could query and serve a list of local lawyers in their area, via the iCITE app. This way the app would cater to different usage groups and address a wider customer segment.

All of the above takeaways will help identify different consumers and customer segments, and aid in forming partnerships, preparing a marketing plan and constructing a revenue model.

## **MARKETING PLAN**

### Identifying Customer Segments

Based on the proposition adjustments and takeaways, the key aspect in a B2C segment is whether the customer is a paying customer or not. The second difference is the type of consumer, novice or professional. In a B2B segment, iCITE would be targeting professional firms and law firms who are willing to pay for content.

The third aspect is in the technology. What kind of technology does the consumer typically use, and how do they want the information delivered. This would determine another customer segment.

Identifying customer segments is integral to developing a Marketing Plan. The plan would have to cater to these various groups and expectations, as would the iCITE app product /service development.

### Leveraging networks

Once the prototype is ready, the plan is to leverage existing networks and spread the word using emails, social networks [Twitter, Facebook, Google Plus, and

Linkedin], paid bloggers and probably through a radio show. Based on the earlier interviewing process, a strong interest was evinced which would translate to an extended marketing network.

## Interest generation

A one page landing page for the product will be created where interested users will register using their email ids. This database of interested people will be employed to identify recipients and drive campaigns, at various stages of the marketing process.

## Website, Videos and Demos

A picture is worth a thousand words. Therefore in the most basic sense, it is vital to have a product website. The website would contain an interactive working demo, some how-to videos and downloadable brochures. In addition making sure that feedback and survey mechanisms are in place would be a vital value add in future.

Once all of the above are in place, action points such as designing campaigns, gathering feedback, improvising and offering fresh campaigns would become part of the marketing process.

Because of so many moving parts and a future implementation, the costing for the marketing plan has not been attempted but the activity will draw from reserve cash pools when needed.

It is estimated that B2B Marketing Strategies would involve maintaining a marketing staff of 3 people and ballpark estimates is \$350,000 per year. It is also planned to maintain an organization level sales team and external teams or affiliates, for which the complete costing is yet to be determined.

## **REVENUE MODEL**

The iCITE team is considering different revenue models based on customer segmentation and types of consumers. The broader categorization is B2C or B2B, with other categorizations such as novice vs. professional users, technology complexity and so on. As this business component will be implemented farther down the timeline, for the moment, the team is collating ideas.

## Crowd Sourcing

Recently the U.S. Congress has passed and the President has signed legislation that will encourage crowd funding investments. One idea iCITE team has, is to tie up with companies such as Costco, as a local business partner. The tie up would give a local consumer an option to either exercise a discount coupon or donate the amount to a local business such as iCITE.

## Fund Raising

As a first step, iCITE's founder has established a 501(c)(3) corporation to invite venture labor stakeholders, charitable contributors, and potential crowd funders to participate in iCITE's startup initiative.

Contributions in the form of charitable funds will be used to continue iCITE's current operations to create, test and deliver its law products and law information solutions.

## Subscription Based Model

A multi tiered subscription plan can be offered to registered users, with varying access levels and support features. For example, the tiers can be organized as Silver, Platinum and Gold with associated features.

## Affiliate / Referral Model

In this model, revenue is generated via affiliates and through referrals. The benefits could be a reward such as accessing paid features for a brief time period, or could be a percentage of the business generated.

## Targeted Ads

Wherever the iCITE app is free to the public, it can offer advertisement space to local lawyers and local businesses, which will show up while the consumer is using the app on their devices. The same may be offered advertisement free for a subscription model.

## Technology based

Depending on the complexity of presentation sought such as knowledge maps, and allied interactive interfaces, a tiered model can be designed, with basic features being offered in the free version, and a paid model for a richer user experience.

## Percentage based

Releasing the iCITE app through Apple's iTunes store and/or Google Play works on a percentage basis. It usually involves paying a standard amount per annum [200-300\$] plus revenue sharing, where the app owner gets around 60-70% of the sale.

Overall, several modes of revenue earning have been evaluated, and the iCITE team is confident that based on the choices on hand, it should be able to earn sufficient revenue, once the product is ready to be launched.

## **DISTRIBUTION**

iCite will have multiple distribution stratagems as the product/service is wide-ranging. iCite Knowledge Maps are presentation layers of legal data which makes it simple for the users to navigate to get the accurate information from huge collections of sets of legal information.

## iCite Website

This would be one of the main distribution channels. The website would run on a Content Management System for easy maintainability. It will support ecommerce through the sale of the iCITE app and offer downloads, free trials and demos. It will also offer customer service and support and a place for channel partners to interact.

The initial setup would involve domain registration, hosting, content development and web application development. The initial costs would involve domain registration, CMS and basic website, estimated at \$10000 and is accounted under infrastructure. [see Costs].

As and when the app is ready for launch, other modules would be developed and costed from the cash reserve pool.

## Appstores – for iOS, Android, HTML 5, Windows 8

The process involves registering as a seller/developer, procuring a distribution certificate, submitting an application and identifying a price for the app. ICITE team will address this further down the timeline, when their product is ready, and are aware that the revenue model is a profit sharing model, with the developer keeping upto 60% of the sale profit.

### *Distribution partners*

The plan is to release the app through all the distribution channels available such as Google Play, Apple Apps Store, Appstores.Com, AT&T Appstore, Sprint Digital lounge, T-Mobile Apps, Media Store Verizon, BlackBerry App World, Samsung Apps, HTC Apps, Amazon Appstore, Windows Apps

### *Smart TVs*

The approach is similar to the app building process, and the hypotheses needs to be further evaluated.

## Media – TV, Radio

Though this is a strong and robust marketing channel, due to high costs, will not be explored at the onset. It will be considered at a later time, when the iCITE team is looking for wider reach and greater penetration.

## E-books

ICITE is considering publishing content in an interactive reading format through publishers such as Amazon, Barnes & Nobles etc. This will be further explored at a future date.

## **PARTNERSHIPS**

The corporation will invite key partners to collaborate, invite venture labor to participate via crowd sourcing strategies and attract working capital via charitable contributions and crowd funding strategies until it can reach a stage in its development to deliver a MVP and test its market potential with empirical data received from actual customers in its various customer segments.

## Crowd Sourcing via Costco, 501(3)c

The iCITE team approached Costco to discuss the potential use of discounted values for product purchases, as a means to raise revenues for local new business investments. The managers were intrigued with the idea since it was consumer oriented, local community oriented, and it increased the potential for local economic development which would eventually return revenues to Costco as increased purchases. As discussed in the Revenue model section, as a first step, iCITE's founder has established a 501(c)(3) corporation to invite venture labor stakeholders, charitable contributors, and potential crowd funders to participate in iCITE's startup initiative.

### COSTS

Cost Details			Cost Estimates US\$
<b>Infrastructure</b>			
Estimated for downtown SFO rates for 2000 Sft Office Space [\$5000 * 12] <i>Includes rent and upkeep(power etc.)</i>		\$60,000.00	
20 high end laptops [\$5000 * 20]		100000	
Website hosting, domain registration etc.		10000	
Amazon EC2 (cloud) hosting 'extra-large plan' per year for west coast USA (24 hrs * 365 days * 0.392\$/hr) + 552\$		4000	174000
<b>Prototype for Demo</b>			
3 developers salary for 3 months (\$150,000/12 *3months)			37500
<b>Salaries &amp; Misc.</b>			
10 developers at \$150,000 p.a. avg	1500000		
Office Assistant	60000		
3 marketing staff at \$170,000 p.a.	510000		
Experts (6 in number) called for brief periods of times as consultants for a maximum time of six months (Avg. consultant salary \$200000 p.a. /12) *6	600000		
<b>Salaries Sub total</b>		2670000	
401k at 10% of salary cost		267000	
Health Insurance for 20 people (\$800 per month per person * 20 people *12months)		192000	
Training and new skill learning \$8000 p.a. * 10 people		80000	3137000
<b>Cash Reserves</b>			
This will be used for future Marketing plans, product distributions, and other unforeseen expenses			5000000
<b>Total Expense</b>			<b>\$8,348,500.00</b>

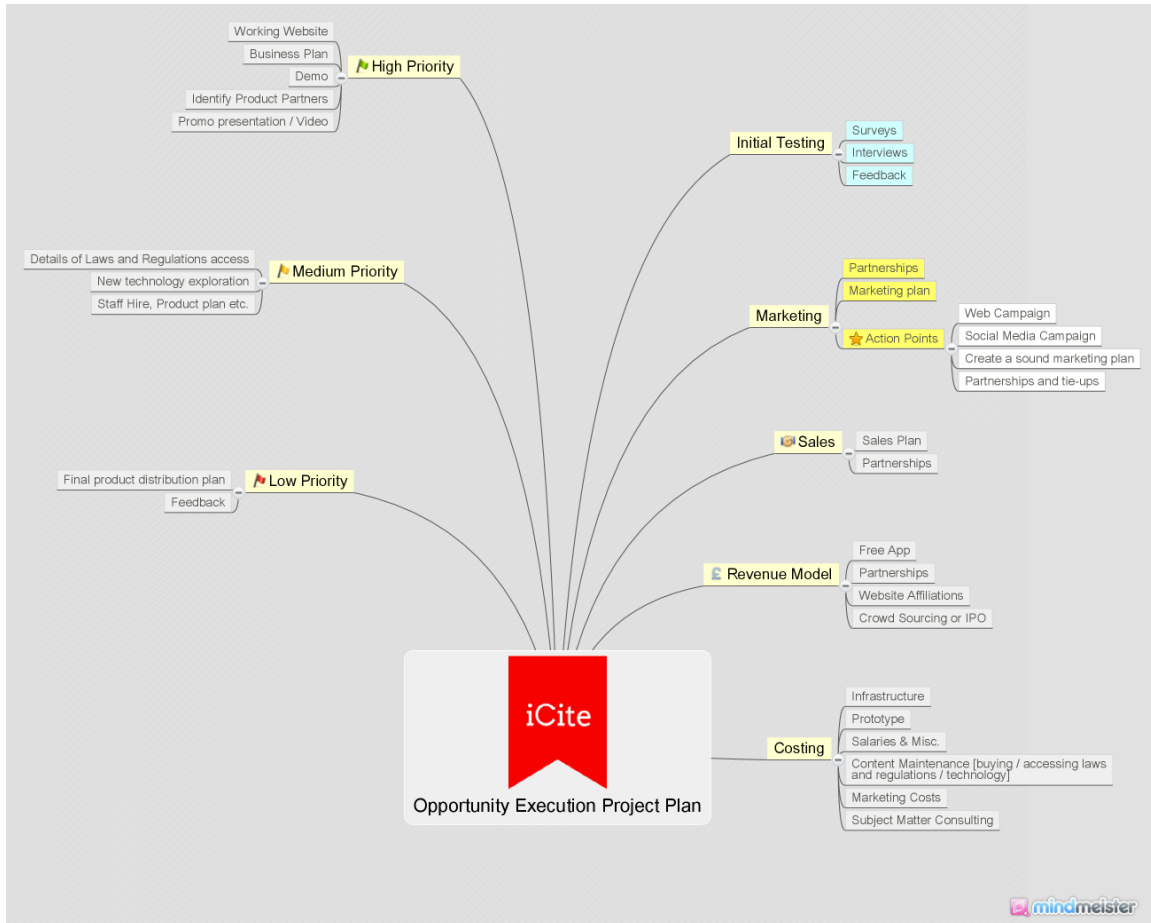


The above costing estimate for the first year is based on raising adequate funds. Should that not happen, all inputs will be based on sweat equity and on a volunteering basis until the time the idea can help raise funding on its own merit.

## Costing Assumptions

- This costing is estimated for the first year, for an initial staff of 20 people. Of these, there are 10 developers, an office assistant, 3 marketing staff and six part-time consultants.
- There is no software costs associated as the iCITE team plans to use open source software [Java, Linux etc.]
- Servers are redundant as we plan to use cloud services which is pay as you go
- We cannot determine costs of procuring data, license fee for new technology use at this point of time but ballpark estimate this to \$1M, which will be drawn from reserves.
- Since marketing costs will be encountered after complete development, after 3 years, its cost will be estimated further down the time line. Initial estimates have come to \$350000. This expense will be drawn from reserves.
- The prototype costing is estimated separately as a one off effort. Actual iCITE app development can happen only on successful completion of prototype, and is therefore estimated separately.

## OEP PLAN - MINDMAP



SEE THE MINDMAP AT [HTTP://WWW.MINDMEISTER.COM/184169918](http://www.mindmeister.com/184169918)

A mindmap was created to visually sort through the various aspects of the business models, and certain action points were also identified.

## WILL THE ICITE APP IDEA WORK?

The interest that potential customers have shown in their need to use law information in their personal and work environments, the size of the mass market, and the potential economic, social, legal and political benefits strongly suggest that the endeavor to discover a suitable business model is an effort worth pursuing.

### Business Interest

Consider Costco as a crowd funding partner. If consumers invest in a high growth company that can scale globally, then jobs will be created in the community, increased revenues will be used to increase sales at Costco. If the consumer will

purchase or invest 1 dollar per month into a selected portfolio of options of investment types, with the expectation that they will receive their money back, should the company succeed. The consumer could invest as little as 36 dollars over three years as a crowd sourced investment.

The money would be invested in R&D to launch technical innovation and a scalable global enterprise. If the company succeeds, the consumer will be able to purchase company services at a discount or the services will continue to be provided as a member of Costco for a certain period of time.

The community benefits by consolidating financial investments resources of 1 dollar per month into a local company that will bring new jobs and revenues.

## Potential

Parking and speeding tickets were investigated. The validity of the sources of information was uncertain. The market size estimate for this narrow segment of law information was generated as follows:

According to [www.beatthatparkingticket.com](http://www.beatthatparkingticket.com), NYC issues over 10 million tickets each year and only about 20% of parking tickets are fought. If we assume that 50% of those tickets represent a single person (i.e. 50% of the tickets are for people with more than one ticket), then 20% means that 1,000,000 New Yorkers may be interested in searching for law information. Based on wikipedia, the population of USA is about 40 times that of NYC and extrapolation gives us 40M people for our potential market.

According to [www.trafficticketsecrets.com](http://www.trafficticketsecrets.com), over 100,000 people a day receive a speeding ticket in this country. That's over 41,000,000 speeding tickets per year. So say 20% of 36,500,000 people search the law to contest it, this gives us 7.3M people. If 1% of these people subscribe at 10 dollars/year, the annual revenue would be 4.7M dollars for this specific segment.

## Consumer Interest

Based on personal interviews, consumers were interested in an easy to use application, that could serve reliable, pertinent information, to their mobile devices.

## Risks

Though Costco is interested in a partnership, success depends on crowd sourcing. If the public does not think this is a viable idea, money may not flow in. Similarly if public is not convinced that the app may help them fight tickets and the like, and that they may have to still rely on a lawyer, expected revenue may not flow in, and the business model may lose its B2C segment and be reduced only to a B2B segment. Technology and consumer interest in technology may vary. In future, if there is a new way to interact, or if technology changes, and iCITE has not anticipated this, it may involve major rework in its application development process. If there is a global outsourcing component involved, to cut costs, other risks such as forex, political instability, intellectual rights and so on will come into play.

## Conclusion

In spite of the significant risks and costs involved, the iCITE team is confident that it has a sound validated proposition, and has considered the major issues on hand. Based on its sound marketing strategy, partnership approach, well thought out revenue model and costing analysis, the iCITE app is a strong idea that is bound to work.