

Budaya – A Social Enterprise Business Model

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Abstract

The article illustrates the business plan of a social enterprise Budaya. This business is based on the recent visible trends of the growing number of international students in Australia. One of the main problems they face is getting work opportunities in the country due to work restrictions or lack of Australian work experience. Also, Australian companies prefer to hire locals. Moreover, small and medium companies (SME's) are trying to explore the international markets to diversify their business. It requires information about the international markets and its preferences. Thus, there is an unmet need on both sides. To meet these demands, we have come up with a platform called Budaya to match both these unmet needs.

Based in Brisbane, Budaya is a platform to provide international students work opportunities in the form of internships in local SME's based on their cultural knowledge and skills and to some degree, this behavior will also help companies to understand the different culturally diverse markets by employing international students. Our purpose is to help international students find working opportunities and local companies get foreign markets information. Thus, Budaya is a social enterprise, as the income generated from the business shall be invested back into the business to make it grow.

Key words: Social enterprise, SMEs, International Students, Australia

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Introduction

The Social Enterprise Budaya

Budaya is a social enterprise that was created in April 2015 in Brisbane. The enterprise was founded by four international postgraduate students of the University of Queensland (UQ): Anna Brandt, Wenwen Jiang, Geigy Sartika Bintang Maharani and Anisha Mandhana. The aim of Budaya is to help international students to gain work experience in Australia while they are studying and to turn their “disadvantage” of being a foreigner into strength by bringing them in contact

with small and medium enterprises (SME) that need their special skills.

Although there are already many competitors who provide internships for students, Budaya's focus on the special skills of international students is unique and targets a growing niche with a very strong demand for work experience. Budaya's customers are Australian companies from all industries that are in the stage of going global and need support with translations, interpreting or cultural advice. The students that are members of Budaya will use their language skills and cultural knowledge to support the companies.

The aim of Budaya is to close the gap between first information for companies, like it is provided in free online resources or in “Doing Business in” events, and the services of country specific professional consultants and translators. While many companies are unsure if they should target a new market or not and hesitate to spend a lot of money on consultancy, Budaya connects them with international students who bring the skills to support them in market research in the local language. For instance, in Asian markets, initial contacts and cultural advice about product promotion etc. The key activity of Budaya is to find students who bring the right skills, find companies that need these skills on a temporary basis and connect both sides.

Since Budaya has been founded our team started to build a database with students from different origins to cover all main markets that are of interest for Australian SME. The next step is the promotion of Budaya among exporters and small businesses that plan to expand globally.

The four founders of Budaya are all international students themselves and have faced the same problems. The idea of Budaya came up after the four founders decided to start a business after discussing about the main issues international students faced. From accommodation to difficulty in understanding the local culture to problems in finding work opportunities the team decided to come up with something that would help the international students.

The following report shall display the business overview with clear identification of the business opportunity and the value proposition to both sides based on some critical assumptions. In the later part it includes a comprehensive analysis of the business in the industry as well as the financial, marketing and the organizational aspects to understand the feasibility of the business. It also

discusses about the critical success factors, key decisions, and the social impact of Budaya.

Opportunity Identification

The unmet need - International Students

There are a large and growing number of international students in Australia, at the University of Queensland as well as at other universities. The students have diverse cultural backgrounds and the vast majority of them hopes to gain work experience in Australia while or after their studies. Based on our survey among UQ students, 85% of the international postgraduate students seek work experience in Australia.

Although there are a lot of institutions that help students to gain that experience, being a foreigner is usually seen as a huge disadvantage. For example the main provider at UQ, Career Hub, offers a lot of positions for students and graduates but most of them are limited to Australian citizens or immigrants that have a permanent residence (PR) status. As international students usually haven't one of these, they face huge barriers when they try to find work experience in their professional field.

Despite having a valid work visa that is automatically issued for postgraduate students and allows them to work up to 20 hours per week and despite often having work experience in their home country, it is very difficult to enter the Australian job market, even for unpaid internships and voluntary work. One of our student members reported that she is in her final semester and is desperately hoping for a job in Australia after graduation. She knows that this is almost impossible as she has no work experience in Australia, just in her home country Vietnam. Although she tried hard to find an internship or a volunteer position for her final semester, she was not successful.

The aim of Budaya is to meet the demand of this growing niche group of international, high-skilled students who aim to work in local enterprises while they are studying and assist them in finding the right niche where their skills are valued and needed.

The unmet need - Australian SME

Many small and medium companies in Australia aim to expand their business by targeting new markets overseas. According to a recent HSBC survey (2015), almost 50% of the companies plan to start business activities overseas within a year. The main target markets are in Asia: China and India as biggest players of the region as well as smaller countries like Vietnam, Indonesia and Thailand. A large number of information about these markets is available online, provided by institutions like Austrade, Export Council Australia (ECA) or Trade and Invest Queensland. Although there are these resources, the next stage is often difficult for companies:

Conducting market research and making initial contacts in the target market. Services of country-specific consultants are available but several SME are not willing to pay the high hourly rates for these services, especially in the early stage of doing business in an overseas markets. The majority of our interview partners reported huge barriers when they try to expand into a new country. The first barrier is the local language: English is widely spoken but initial contacts are often much easier and faster in the local language. Additionally, market research is often difficult because of a lack of language skills and expertise in the target market.

There are offerings for companies in this situation but none provides the service of Budaya: Support from a local who knows both cultures and will work in the company on a temporary and very flexible basis for affordable hourly rates. Based on our interviews, almost all companies that said they

would use the services of Budaya would pay an hourly rate that is above the minimum wage which is approximately AU\$21 per hour for this age group.

Value Proposition for International Students

The value proposition for international students is to gain valuable work experience in Australian companies with a minimum time input. The students will only work when the special skills are needed in the company, particularly on an hourly or day basis. This makes it possible to focus on the studies but still work for Budaya during semesters. The time input is lower than in a normal internship and the outcome for the student is higher as during the working time and projects the skills of the student are really needed. The low time commitment makes it possible for students to work in different Australian companies during their postgraduate studies. This leads to industry contacts and references from and for potential future employers.

Value Proposition for Australian SME

The value proposition for small and medium enterprises is to get support in targeting overseas markets that is affordable but based on high skills of ambitious students who already have a university degree in their field and work experience in their home countries. The companies receive in-house support with translations, market research and cultural advice from a local who knows both cultures of the Australian and the culture of the target market. In the early stage of entering a new market, Budaya offers affordable assistance on a very flexible basis and the company just pays the hours and days the student was working for them.

Business Model

The business model of the social enterprise Budaya is a multi-sided platform. Budaya brings two sides

together: International students seeking work experience in Australia and small or medium Australian companies that need the provided language and cultural skills on a flexible and temporary basis. Like all multi-sided platforms, the service of Budaya will only work if there are enough customers on both sides.

As Budaya is a social enterprise, the purpose is not to generate a huge profit but to address the social issue of international students in need for work experience. To cover costs and to finance growth of the enterprise, Budaya charges membership fee from the students and as small surcharge on the hourly wage that companies pay to the working students.

The huge challenge in the business model for Budaya is to attract enough customers on both sides. Based on our market research, finding enough students' membership is much easier than engaging companies that would like to use the services of Budaya. To overcome this difficulty, Budaya will start its operations in two phases: First the member base of students will be built. The aim is to cover all countries that are of interest for Australian companies with at least two or three local experts. This will make sure that for each market a local student is available all time. After ensuring that all potential markets could be served by Budaya, the services will be promoted among companies.

Although Budaya is significantly less expensive than professional translation or cultural consulting services, Budaya is not competing on price. In fact, Budaya targets a different consumer group niche: Companies who need language and cultural advice for their activities abroad to an extent that can be provided by a local.

Opportunity Evaluation - Feasibility Analysis

Market Size

The number of International students especially in the higher education sector has been increasing in Australia (Appendix 11.3). In 2009, over 22% students studying in the tertiary sector were international students in Australia (Australian Bureau of Statistics, 2011). According to the Australian Bureau of Statistics (2011) the maximum number of students visas granted is from countries like China (20%) and India (14%) also the major target markets for export companies in Australia. There is a steady growth in exports in Australia over the past decades (Australian Bureau of Statistic, 2015). A recent HSBC survey shows that almost half of the Australian companies plan to expand to new markets next year. Their focus is on (HSBC, 2015) Asian markets like Singapore, India, Japan, Indonesia and so on. Thus, it is a growing niche on both sides. Our aim is to have native speakers for all major export markets in Budaya. According to our survey around 70 % students said that they were keen to intern in an Australian company before they graduate irrespective of the internship being paid or unpaid.

Target Market: International Students

Budaya being a consulting social enterprise our target market would include international undergraduate and post graduate students and career beginners and small and medium size companies looking to expand in foreign markets based in Brisbane. There are over 75,000 international student enrolments in Brisbane alone in 2013 (Brisbane Students Council, 2014). We would first create a database of individuals coming from culturally diverse backgrounds speaking different languages. These students would have a profound knowledge of culture, laws, and preferences of their home country. Once we have a

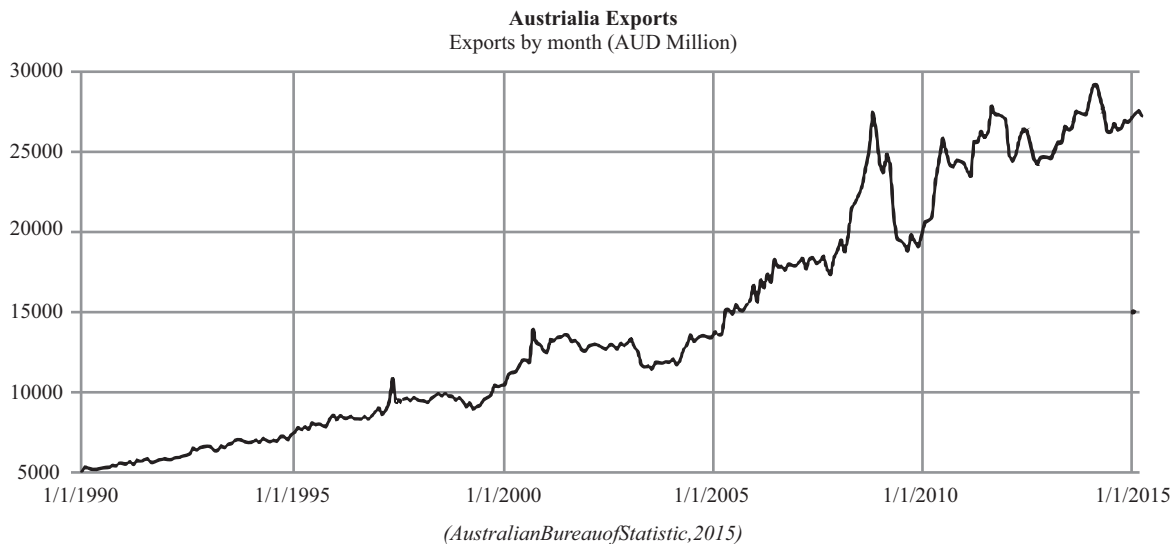
decent number of students we would start approaching the companies.

Target Market: Australian SME

The market for Budaya is companies that are

seeking business opportunities abroad and need language support and cultural advice for these activities. In the past 25 years there was a steep increase in exports in Australia.

Table1:AustralianExports1995–2015



Marketing Strategy and Promotional Channels

a. Service

Budaya offers benefits for international students and Australian SMEs. Work experience in Australian local companies is an advantage for international students. To ensure international students to obtain a valuable work experience, Budaya will selectively choose Australian SMEs. We cooperate with Australian local companies that can provide a positive working environment, develop network opportunities, and build confidence in interns. With Budaya, international students will be capable to have more than one internship experience.

The second benefit is giving assistance for Australian SMEs to support their business activities especially when they enter to new international markets. We offer acceptable interns

with a specific culture and language knowledge that can help the companies to do translation and do market research. Before matching our interns to Australian SMEs, Budaya will have an interview with potential internes to ensure international students fulfill the requirements. Moreover, to establish Budaya's performance in providing satisfactory interns, we will ask Australian SMEs giving feedback and rating to our service. Working together with Budaya, Australian SMEs will accelerate decision process in expanding their business in international market.

b. Place

Budaya's office is placed in St. Lucia in the apartment of one of our team members. St. Lucia is the perfect location because of the proximity to the UQ. Interviews with students who wish to become a member of Budaya are conducted at the University of Queensl and. Potential customers are

met in the Central Business District (CBD) of Brisbane. Budaya can be contacted via phone and email or at one of the events where our founders promote the services of Budaya.

c. Process

Companies can avail the services in three steps. The first step is '**building student base**'. Students can register on our website as well as at events like the UQ market day. Budaya offers two different types of membership, including a free and paid. Students who choose paid member shippay AU\$ 15 per year to access the benefits such as receiving Budaya newsletter, uploading their resume, having updated information about Australian SMEs which need internship, and have more opportunities to work in Australian local companies whereas students with free membership will not be charged and they only have access to receive Budaya newsletter.

The second step is '*contacting the companies*'; here our Marketing Expert will contact several Australian SMEs to purpose our service becoming a member of Budaya. Taking the membership of Budaya, Australian SMEs can take two trials in order to experience our service in the first 20 days. After experiencing the internship, the Australian SMEs will be asked to give feedback and rating of our service. This helps Budaya to continually improve the performance and increase customer base. Subsequently, Australian SMEs can choose to take the membership or not. If they are willing to take our service, Australian SMEs need topay AU\$ 30 per hour with AU\$33 of GST.

The third step is '*matching students and companies*'. After Budaya has enough students who cover all major Asian markets and has several Australian SMEs which need expertise to support their activities, we will match international students with certain cultural and language

background with small and medium Australian businesses that need these skills. Here, our HR expert will conduct an interview with the candidates for the internship. The purpose of interview is to examine the candidates' background and abilities for ensuring Budaya will provide the best resource to Australian SMEs. Moreover, this step is not merely to match the candidates' cultural background and language skills but also time and duration of the internship.

d. Promotion

To increase the brand awareness, brand association within ternational students and Australia SMEs, the number of membership and the loyalty of customers (Australian SMEs), Budaya's promotion activities are listed as following.

Service Introduction

Inorder to improve brand awareness of Budaya among international students, two methods will beapplied-offline and online. Printed brochure and fliers would be distributed among students. These would include details about Budaya's service, contact details, and QR code that link to Budaya's website. We plant o distribute these print ads in UQ St. Lucia Campus in several effective spots at lunch time. For an effective result, this activity will be done every two weeks in three months. Further more, Facebook Twitter and LinkedIn are chosen for online promotions. We will also collaborate with several international student communities in UQ for reaching a large number of students. Informative in formation will be regularly uploaded and continually advertised on Budaya's website. Hopefully, these methods can draw awareness towards Budaya in international students' mind and make them members of Budaya.

Face to face communication in events

To provide better information about Budaya, face to face interactions with international students and Australian SMEs would be done. We will open a kiosk on market day during the orientation week. There is a great opportunity to explain more in terms of Budaya service, benefits, and also we can collect international students' information for the student database. Each international student who registers to be a member of will get a Budaya membership card. This activity might improve the possibility of brand recall by international students. Additionally, to obtain more contacts with Australian SMEs, we will cooperate with UQ Career Hub, Export Council of Australia and Trade & Investment Queensland Australia. After collecting contacts of Australian SMEs, we can put them in the Budaya database. All contacts can be used in the second step when our Marketing Director finds Australian SMEs that need interns for a specific period.

Marketing Online Ad Words

In addition to posting information on the website, we will use Ad Words in the marketing activities.

This tool will help Budaya establish brand recognition and attract more international students. By regularly setting and modifying ads keywords, we hope to achieve higher ranking on Google. Besides, this marketing online is relative low cost.

e. Pricing

We only charge AU\$15 for a fee for international students that wish become a Budaya's membership. Additionally, it is necessary for international students to regularly renew their membership for taking Budaya's service.

Legal Framework

Legal Situation: Budaya is registered as an unlisted public company (Company limited by shares-not listed on the stock exchange) registered under the Corporations Act 2001 and reports to Australian Securities Investment Commission (ASIC) with start-up capital of AU\$20000. Our CEO Anna Brandt is the legal representative of the company

Industry

SWOT Budaya

Strengths	Weaknesses
<ul style="list-style-type: none"> Clear Value Proposition for students and companies Competitive services Easy Five steps for companies to avail our services. Lower fees from students and companies Provide paid internships to students. Key partners like UQ Career hub and Export Council of Australia. Core team with diverse backgrounds and cultural knowledge. 	<ul style="list-style-type: none"> Longer time to create database of students coming from diverse backgrounds (estimated time 3 months) Longer time to get companies onboard High Marketing costs associated with start-ups.
Opportunities	Threats
<ul style="list-style-type: none"> Steady growth in Australian exports Steady increase in international students in Brisbane Growing interest among students to gain valuable work experience before graduating. 	<ul style="list-style-type: none"> Competition from other internship providing platforms. Eg. Milaana Minimum wage requirements may create legal hassles in future. Fluctuation in demand from companies.

Strengths: with a clear value proposition, we provide valuable services to both students and companies. Students get the opportunity to work with an Australian company before graduation and the companies can avail assistance for their export activities. Unlike other internship providing platforms, Budaya provides paid internship, that value your skills. With Key partners like the UQ career hub and Export Council of Australia, we plan to create a huge database of international students and small and medium export companies.

Weaknesses: We may take a longer time to get the business running since making the data base of students and approaching the companies would take around 6 months collectively. Our marketing costs including-printing business cards, leaflets, posters, maintenance of the website is high initially, since we would need aggressive promotions to generate awareness.

Opportunities: As mentioned above, there has been a steady growth in Exports in Australia in the past decade. Thus, the export sector is expanding rapidly. These companies would require support activities to enter new markets. Also, the number of international students in the higher education sector is growing. It is growing niche on both sides. Since, our target market includes students and companies; Budaya has great growth opportunities in the future.

Threats: Budaya may face stiff competition from other internship providing companies. Existing companies have a strong foot hold in the market. Also, the demand for export support activities from companies may fluctuate with economic trends in Australia as well the target nations.

Competitors Analysis

Milaana(www.milaana.org): The company offers a platform that focuses on student internships in Not-for profit and Non-Government Organizations. Thus, the internship offered are voluntary i.e. unpaid. The organizations advertise on the Milaana website while students register online or at campus stalls.

Australian Cultural Consultants (acc.com.au): They provide professional culture consultancy in the field of language and culture. They basically provide translators in different languages, who function as intermediaries to negotiate terms where there are language barriers.

Professional Internship's (studyandwork.com.au): They offer professional internship programs with different packages in various fields. Students are charged fees starting from \$ 1000 (+GST) for placements in companies. The Internships offered are unpaid.

What we offer: with Budaya we aim to help students to gain valuable work experience in an Australian company based on the cultural knowledge and language skills of their home country. The internships would be highly flexible starting from 2 weeks to 6 months depending on the requirements. We charge minimal fees of AU\$ 15 per year from students at the time of registration. We provide paid internships to students (AU\$ 23 per hour).

Team and Resource

Team members: Roles, responsibilities and resources

All four founders of Budaya are international postgraduate students at UQ who have work experience from their home countries. The co-founders bring prior knowledge from different

fields like international business, HR and marketing that fits perfectly with their roles in the management team of Budaya. Together with their experiences in Australia and their close networks among international students from different regions all over the world, the key resources for the management of Budaya are held within the team. This overview shows the prior experience and skills of each co-founder:

Role	Name	Experience and skills
CEO	Anna Brandt	Former Export Manager in a German company. Anna has more than 10 years experiences in international Business in Europe and in South-East Asia, working with private businesses indifferent industries and with government institutions.
Cultural & Language Expert	Wenwen Jiang	Wenwen is a native Chinese who worked more than 2 years in a Chinese enterprise in Australia. She is our expert for the Chinese market, choosing student members for this important and diverse export market. In additions he has knowledge about the chemical engineering industry, her second field of study beside business.
Marketing Director	Geigy Maharani	Former Indonesian entrepreneur and running her own business in the field of beauty services in Yogyakarta, Indonesia, Geigy is now focusing on the marketing of Budaya. She has in depth knowledge about market research, marketing strategy and marketing planning. Further more Geigy is closely interlinked with the Indonesian community at UQ, making it easy to find the right student members for this region.
HR Director	Anisha Mandhana	Anisha has several years HR experiences in India prior to her work at Budaya. She brings a lot of expertise of working in an intercultural environment and with different kind of HRsystems. Anisha is an active member of the Indian community at UQ which provides Budaya with contacts to students with different regional and industry backgrounds and contacts.

Additional resources and networks

An additional resource needed for the smooth functioning of Budaya is someone with a profound IT knowledge for the further developing of the website and other IT functions. This includes an online booking system where companies can check on the website who is available for their projects and which time slots are available. Further more, Budaya will work with recommendations for both customer groups; this means that companies provide recommendations and ratings about the service they received which will be posted on the Budaya website. The aim is to link this with social network profiles like the LinkedIn profiles of the student members. The founders created a basic website for Budaya that shows information about the services of Budaya and the contact details. However, the above mentioned future functions cannot be created by one of the founders. Because of that, these tasks will be outsourced to an IT company and the costs for this support are included

in the financial feasibility analysis.

Key resources

As Budaya is a social enterprise that delivers a service to its customers, there are not many physical key resources. This means also that there is not much capital bound intangible resources. The founders set up an office in St Lucia with basic workspace for up to four people but in fact a lot of the work is done in public spaces like the UQ campus where students are inter viewed or in public spots in the city where potential customers are met. The main resources of Budaya are the knowledge and networks of the founders and both customer group data bases, the student members and the companies. The platform to connect both groups is the main resource and the core of Budaya. In terms of this, managing the platform, making sure that the quality of the service for both customer groups is of high value and advertising the services of Budaya are the main activities. As

the platform and its functionality is the core of the service Budaya provides, IT services will be hired as described previously.

Financial Feasibility

Revenue model

Budaya has a revenue model with two different revenues streams for each side of the platform: the student members and the companies who buy the services. The revenue model for the student members is a subscription model: Each student has to pay a membership fee of AUD \$15 upfront to join Budaya. This membership fee has to be paid for joining, even if the student will not get booked by a company. This fee is comparatively low, as other companies who provide work for international students' charge huge amounts for guaranteed placements. One example is the company Navitas (Navitas, 2015) that charges around \$ 2,000 for work placements.

As Budaya is targeting high-skilled students who would try to find employment by themselves, the fee is much lower. Budaya is more competing with other internship and work experience providers who often offer services for students for free, for example Milaana (Milaana, 2015) or Career Hub at UQ. Despite of that, Budaya offers an advantage for international students, so it is assumed that students will pay a membership fee. First a membership fee of AU\$ 30 was calculated but based on our survey among UQ students, the fee was reduced to AU\$ 15 per year.

Although the revenue from the membership fees will stay on a low level, it will cover some of the administrative costs of Budaya and be a constant source of cash in flow.

The revenue model for the clients of Budaya is a fee-for-service model: The clients pay the hours of

service they received from working students. Budaya will issue monthly invoices and charge AUD\$ 30 per working hour to the client, plus 10% GST. The revenue from selling the services of Budaya will be split: The working student receives the main share of it, tax will be deducted according to the legal regulations and Budaya will receive a share of approximately 20% which will cover the costs of our business, the insurance for the working student and lead to a profit for reinvestment. The working student will receive an hourly wage that is above the minimum wage which is \$23 per hour.

Funding

Budaya will start with an investment of AU\$ 5,000 from each of the founders, so in total AU\$ 20,000. The aim is to finance the start-up phase till the income from our two sources of income, student member fees and company payments will cover the costs of running the business. The parts below show the financial estimation for the different stages.

Seedphase:

Market research has been conducted by the four founders. The research was based on online research to estimate the market size, a survey among students at UQ (customer group 1) and interviews with Australian small and medium companies. As the research was done by the founders, no costs occurred in the seed phase.

Stage1: Start-upfunding (month1):

In our start-up phase the largest amount of money will be spent on IT support to set up the Budaya website. A basic website was created in the seed phase but to have all functions that we need to run Budaya, we will need IT support. The second largest share will be spent on promotion and advertising. In addition, we have legal fees and

costs to set up our working space which will be an office in the apartment of one of our founders in St Lucia. As we can use the apartment, there is no rent

included in the start-up costs and in the calculations for the first year of running the business.

Start-Up expenses	Estimated amount in AUD \$
Accounting fees	360
Office supplies	120
Legal fees	450
Business insurance	55
Advertising	300
Promotion	1,045
Travel costs	150
Domain name registration	30
Hosting expenses	28
IT services (Website support)	7,000
Rent	0
Electricity	45
Phone	30
Total	9,613

Stage 2: Working capital short fall period (month 2 – month 7):

According to our estimations and calculations, the working capital shortfall period will last till month 7. During this time we will not make enough money to cover our monthly expenses. This phase will be financed from the initial funding of AU\$ 20,000.

Month 1 - 3:

In the first three months after starting the business, we will build the student base. Based on our estimation, we will not sell our services to companies in this time as the time is needed to get enough students on board and to get in first contact with companies and promote our services. It is estimated that we will have enough students to cover all major languages and regions by month 3. In this month, we will focus on promoting the

service among companies. A small revenue stream is generated by student member fees but this is not enough to cover our expenses (see cash flow estimation).

Month 4 - 7:

We expect to have the first sales in month 4. The estimated amount of hours is 150 in total for month 4, for example 5 students who start working and work 30 hours spread over the month each. The number of hours will increase each month (see sales forecast) but we expect the capital short fall period to last till month 7.

Stage 3: From month 8 on:

From month 8 onwards, Budaya will generate enough money to cover the ongoing expenses. Profits will be reinvested in the business. In year 1 the four founders will not receive a salary as the business is run part-time in addition to studying

and working.

Budaya's sales forecast as follow:

Sales forecast

Budaya sets estimated sales forecast for a year.

Months	Hours Sold to Clients	Sales Revenue
1	0	0
2	0	0
3	0	0
4	150	4950
5	185	6105
6	310	10,230
7	415	13,695
8	420	13,86
9	430	14,190
10	450	14,850
11	465	15,345
12	465	15,345

Cash Flow Analysis

CASH FLOW	YEAR 1												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
Cash balance at the start of each month (cash at bank)	\$20.000	\$10.540	\$9.745	\$8.420	\$2.555	\$2.035	-\$610	-\$1.965	\$105	\$2.080	\$3.760	\$5.905	
Operating revenue													
Student membership fees	\$165	\$360	\$180	\$30	\$45	\$15	\$30	\$0	\$0	\$15	\$90	\$180	\$1.110
Sales revenue (hours of service)	\$0	\$0	\$0	\$0	\$4.950	\$6.105	\$10.230	\$13.695	\$13.860	\$14.190	\$14.850	\$15.345	\$93.225
Total Operating Revenue	\$165	\$360	\$180	\$30	\$4.995	\$6.120	\$10.260	\$13.695	\$13.860	\$14.205	\$14.940	\$15.525	\$94.335
Total monthly cash in	\$165	\$360	\$180	\$30	\$4.995	\$6.120	\$10.260	\$13.695	\$13.860	\$14.205	\$14.940	\$15.525	\$94.335
CASH OUT													
General & Administrative													
Bank charges	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$144
Accounting fees	\$360	\$0	\$0	\$120	\$0	\$0	\$120	\$0	\$0	\$120	\$0	\$0	\$720
Office Supplies	\$120	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$505
Legal fees	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450
Business insurance	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$660
Total General & Administrative	\$997	\$102	\$102	\$222	\$102	\$102	\$222	\$102	\$102	\$222	\$102	\$102	\$2.479

CASH FLOW	YEAR 1													
	1	2	3	4	5	6	7	8	9	10	11	12	Total	
Marketing & Promotion														
Advertising	\$300	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,950
Promotion - General	\$700	\$200	\$200	\$650	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$3,350
Promotion - Other	\$345	\$0	\$0	\$370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$715
Total Marketing & Promotional	\$1,345	\$350	\$350	\$1,170	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$6,015
Operating Expenses														
Travel / Accomodation	\$150	\$150	\$350	\$350	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$2,200
Total Operating Expenses	\$150	\$150	\$800	\$800	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$3,100
Website Expenses														
Domain name registration	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30
Hosting expenses	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$336
IT services	\$7,000	\$450	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,600
Total Website Expenses	\$7,058	\$478	\$178	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$7,966
Employment Expenses														
Permanent-founders														
Salaries / Wages founders	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Perm. Employ Exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Casual - students														
Salaries / Wages	\$0	\$0	\$0	\$3,450	\$4,255	\$7,130	\$9,545	\$9,660	\$9,890	\$10,350	\$10,695	\$10,695	\$10,695	\$75,670
PAYE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super annuation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Casual Employ Exp	\$0	\$0	\$0	\$3,450	\$4,255	\$7,130	\$9,545	\$9,660	\$9,890	\$10,350	\$10,695	\$10,695	\$10,695	\$75,670
Total Employment Expenses	\$0	\$0	\$0	\$3,450	\$4,255	\$7,130	\$9,545	\$9,660	\$9,890	\$10,350	\$10,695	\$10,695	\$10,695	\$75,670
Occupancy Costs														
Electricity / Gas	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$540
Telephones	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$360
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Occupancy Costs	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Other Expenses														
GST	\$0	\$0	\$0	\$150	\$555	\$930	\$1,245	\$1,260	\$1,290	\$1,350	\$1,395	\$1,395	\$1,395	\$9,570
Total Other Expenses	\$0	\$0	\$0	\$150	\$555	\$930	\$1,245	\$1,260	\$1,290	\$1,350	\$1,395	\$1,395	\$1,395	\$9,570
Total monthly cashout	\$9,625	\$1,155	\$1,505	\$5,895	\$5,515	\$8,765	\$11,615	\$11,625	\$11,885	\$12,525	\$12,795	\$12,795	\$12,795	\$105,700
Net difference	-\$9,460	\$795	\$1,325	\$5,865	\$520	\$2,645	\$1,355	\$2,070	\$1,975	\$1,680	\$2,145	\$2,730		
Cash balance at the end of each month	\$10,540	\$9,745	\$8,420	\$2,555	\$2,035	-\$610	-\$1,965	\$105	\$2,080	\$3,760	\$5,905	\$8,635		

Break even analysis

The break even analysis shows that we will have to sell 4,290 h of service to companies before we will break-even. The sold hours are dependent on the orders we get in the first months. Our estimation is shown below in the sales forecast.

$$BEQ = AU\$30,030 / (AU\$ 33 / h - AU\$ 26 / h) = 4,290 h$$

$$\text{Contribution margin} = (AU\$ 33 / h - AU\$ 26 / h) / AU\$ 33 / h = 21\%$$

Rent or lease	\$ 0
IT services	\$ 7,000
Pay roll (founders)	\$ 0,0
Interest payments	\$ 0
Utilities, telephone, internet	\$ 1,200
Marketing expenses	\$ 4,500
Other	\$ 1,000
Total fixed costs	\$ 13,700

Return on Investment

The table below shows the estimated return on

investment (ROI). In the first year the return on investment will be negative but from year 2 on it will increase to 14.17% and 16.20% in year 3.

	YEAR 1	YEAR 2	YEAR 3
GrossProfit	94,335	145,000	165,000
Totalcosts	105,700	127,000	142,000
Balance	-11,365	18,000	23,000
ROI	-10.75%	14.17%	16.20%

Critical Success Factors

Antilogs and Analogs

In order to test our business concept, we used analogs and antilog.

Business model element	Relevant Analogs	Relevant Antilogs	Leaps of faith around which you will build an initial dashboard	Your hypotheses that will prove or refute your leaps of faith
Revenue model		Milaana	1: Students are willing to pay for the membership in an organisation that provides work experience. 2: Companies will pay more than the minimum wage for the services of Budaya.	1: Student membership fee of AU\$ 30 per year 2: Companies fee: AU\$ 30 per hour + GST

Gross margin model	Temp work agencies		
Operating model			
Working capital model		Milaana (companies pay just after 2 months)	1: Students will pay the membership fee upfront. 2: Companies will pay the wages fortnightly.
Investment model			

Milaana is a social business and a platform that connects students who are seeking internships and not for profit companies that are looking for interns together (Milaana, 2015). The revenue model of Milaana is to charge a very small fee of just AU\$ 50,- per 3 months for the companies that use the platform. The students who join Milaana and work in the organisations don't have to pay membership fees and they don't get paid. This model is an antilog for Budaya because this revenue model would not cover our costs or allow Budaya to grow and efficiently market the services. Budaya will charge a membership fee from students that has to

be paid upfront when they join the organization. Students will get paid for their work on an hourly basis and a small surcharge is included that is kept by Budaya to cover the costs of the enterprise.

Critical Success Factors: Dashboard

The most critical factors for Budaya are to have enough customers on both sides and receiving payments either upfront (student membership fees) or within short time after selling the service (company payments).

Hypotheses	Metrics	Survey week 1	Survey week 2	Insight obtained, course correction needed
Leap of faith 1: International students will pay a membership fee				
Hypotheses 1: Students are willing to pay AU\$ 30 per year	Number of students	3 of 10	5 of 15	The membership fee needs to be reduced
Hypotheses 2: Students are willing to pay AU\$ 15 per year	Number of Students	8 of 10	12 of 21	The membership fee is AU\$ 15 per year
Leap of faith 2: Companies are interested in Budaya				
Hypotheses 1: Companies would employ students with certain skills to help their business activities	Number of positive reply	3 of 5	2 of 4	No correction needed
Leap of faith 3: Companies are willing to pay for working students				
Hypothesis 1: Companies would pay AU\$ 33 per hour for students	Number of positive reply	2 of 5	2 of 4	No correction needed

Critical Assumptions

As mentioned above the value proposition of Budaya is to offer students internships based on their language and skills as well support companies in their export activities. We encountered the following questions:

- Will the companies hire students for their export activities instead of full time employees with experience?
- Will students agree to share their pay with Budaya?
- What if we are not able to cater to the needs of companies as per their demands?
- What If students disagree to work with a

particular organization?

- What if companies are unhappy with the delivered service?

To justify your value proposition, we have assumed the following:

- It is assumed that companies would be willing to hire students for a limited period at low wages as opposed to full-time employees.
- It is assumed that students would allow Budaya to negotiate and handle their pay at AU\$ 23 per hour.
- It is assumed that we will be able to create a database of students with different skills for example engineering skills along with specific language and culture skills to offer a wide variety of services to companies.
- We assume we will get at least 2 to 3 students per region to make sure that we are still able to deliver these services to the companies after one student rejects the particular project.
- We assume that we can conduct regular feedback talks with the companies to ensure that we are delivering credible service.

Key Decisions, Pivots and Starting over

Progress from idea to Business Model

The idea for Budaya came up early in the brainstorming process of our team. The most problematic aspects of developing the right business model were the cost structure (How much would companies pay? Would the company pay at all or should there be free work in the beginning to get companies on board?). From the beginning it was clear, that it will be much more difficult to attract clients on the company side than on the student side. Like every multi-sided platform, Budaya can only be successful if there is a real value proposition and a market niche for both sides

of the platform. Our first surveys among students confirmed our assumption that many students would like to work for Budaya. For the student side, the major points we were rethinking were

- How much are students willing to pay for the benefits that Budaya will offer?
- How can we get the right people on board to ensure that they will deliver a good service when they work for Budaya?

Especially the second point is crucial for our business model because the quality of the service is the core of Budaya's activities. Therefore, we decided to conduct an interview with every student who aims to join Budaya instead of having an online sign up. This will allow the management team of Budaya to keep control and ensure that all members have the necessary skills to work with Budaya.

Business Model Canvas

The cost model is completely changed because of two reasons. First, it turned out that the legal framework in Australia does not allow unpaid work under these circumstances. If a student is working in a company and doing work that would otherwise be done by a paid worker, it is illegal to work unpaid (Australian Government, 2015). Because of the legal restrictions, Budaya cannot offer the incentive of unpaid work for clients. The second reason for changing the whole cost model was realizing that in the field of services the charged fee is representing the perceived quality of the product. Although more than 70% of the students in our survey said that they would work for free to gain work experience, the companies would perceive low quality if they do not have to pay for the services in the beginning. After competing on price is no solution to get companies on board, especially in the field of services, we changed the cost model completely.

Conclusion: The Social Impact of Budaya

Who will benefit?

The people who will benefit from Budaya are international students who are seeking work experience in Australian companies. For this group it is difficult to gain work experience via the existing channels of internship providers and employment agencies.

Why is Budaya needed?

Budaya is needed because international students face huge barriers when they are looking for employment in Australia. Based on our survey more than 85% of the postgraduate students seek work during their studies but less than 10% found a position within the first months. Budaya gives these students the possibility to get in contact with companies that need the language and culture skills of these students and gain valuable work experience and references for future employment. Even with skilled work experience from their home countries, most students don't find work through the existing institutions that offer assistance. Budaya gives them the possibility to use their skills and work with a company where their knowledge is needed.

How will Budaya meet this need?

Budaya will meet the need by establishing a platform that connects companies that need language and cultural assistance with students from the targeted region. Budaya's aim is to offer services that are of great value for the clients to build a good reputation and spread the services of Budaya among the community of Australian exporters.

Key partners of Budaya

Budaya's key partners are on both sides of the platform: On the company side, Budaya works closely with the Export Council Australia (ECA), Austrade and Trade and Invest Queensland. The services of Budaya will be promoted on events of these key partners, as an additional service for companies that aim to export or expand into new markets. The aim is not to replace the existing services of these institutions or of professional country focused consultants but to offer a further source for companies – affordable, flexible and skilled labour for their projects.

On the student side, Budaya's key partners are the existing institutions at UQ, which are the Career Team at BEL faculty and Career Hub. In addition, Budaya has a close relationship to Milaana which is an organization with a similar business model but focused on the non-profit sector and social businesses.

How the social impact will be measured?

Budaya will measure the social impact of its work with regular evaluations. Quarterly surveys among the student members of Budaya will check if the situation of the students improved through working with Budaya. From year two on, Budaya will conduct surveys among the members of Budaya in order to measure if Budaya helped them to improve their situation.

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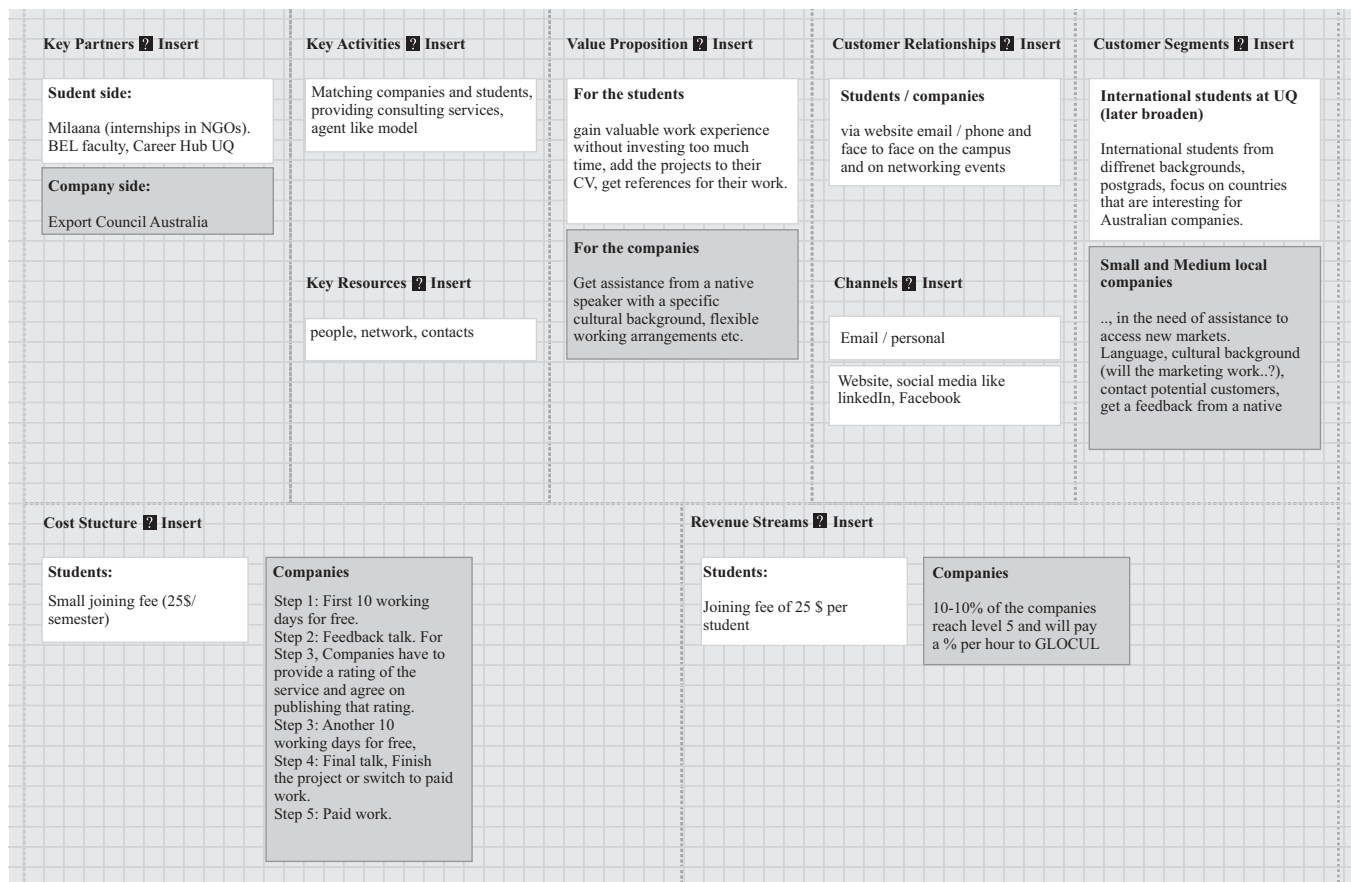
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Appendix

Business Model Canvas



Surveyquestionnaire

1. Are you an international student?
 - a. Yes
 - b. No
2. Are you interested to work along with your study, irrespective of it being paid or unpaid?
 - a. Yes
 - b. No
3. What benefits are you seeking for in the internship?
 - a. Work experience in an Australian company.
 - b. Building network
 - c. Improve confidence
 - d. Get paid internships
 - e. Improve your skills
 - f. Others
4. Have you been looking for internships
 - a. Yes
 - b. No
5. If yes, where have you been trying to find one?
 - a. UQ Career Hub
 - b. Milaana
 - c. Friends' recommendation
 - d. Websites, specify
 - e. Newspapers, specify
 - f. Others, specify
6. What is the acceptable price range/ fee for you when you join organization that can help you find internship?
 - a. AU\$ 15-20
 - b. AU\$ 20-25
 - c. AU\$ 25-30
 - d. AU\$ 50-100
 - e. AU\$ 100 and above.
7. Are you willing to join the BUDAYA that can facilitate you to find an internship by paying AU\$ 30?
 - a. Yes, I will join
 - b. No, I will not join
8. Are you an undergraduate or postgraduate student?
9. What is your nationality?

Foreign Expansion Plan

which overseas countries do you expect to start operating in?
businesses intending to expand to new market by anual turnover

