The Startup Analysis Canvas Project

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1. **The Problem**

* **What is the problem?**
* **What evidence supports that the problem exists?**
* **Is the problem urgent, underserved, unworkable, and/or unavoidable?**
* **Is the problem conspicuous and/or critical?**

The problem is that many people, especially during Covid, suffer from mental health issues and cannot find affordable help. Also, many people suffering from mental health would probably better feel understood connecting to people who suffer as well, but there’s no tool or resource to accomplish this.

In an article by HelloGiggles on couples with mental health it reads: “*Regardless of medications and specialized therapies, it can be a lonely journey so, for me, having a partner who gets it, gets me, is more than helpful—it’s essential. With that said, these confessions from couples who get it—who know what it’s like to be in each other’s shoes—are inspiring down to the very core. If you’re in a relationship where both of you struggle with mental health, be each other’s rock. It may make all the difference in the world between feeling supported and feeling alone.*” People having someone that understands them and what they’re experiencing is greatly important.

As for Covid it goes without saying that due to restrictions and lockdowns many have lost their jobs. As for the cost of therapy, a therapist on a HuffPost article explained many of the reasons prices are so high, among them: “*While $140 per session sounds steep, Ackerman says it helps cover $2,500 a month in rent, the cost of business and malpractice insurance, advertising, office equipment and credit card processing fees. And like many of her colleagues, Ackerman has accrued massive student debt. “I was in school for 10 years, and at this point, my debt is six figures!” she said.*”

The problem is extremely urgent, according to Mayo clinic, “Surveys show a major increase in the number of U.S. adults who report symptoms of stress, anxiety and depression during the pandemic, compared with surveys before the pandemic.” The problem is largely underserved as well, as also said in the HuffPost article, “Poor insurance coverage for therapy is largely a reflection of how society views mental health,” meaning it’s not taken as seriously as physical health concerns.

The problem is very conspicuous. Mental Health care is very expensive, and people with mental health are better off with someone who understands them and can relate with them.

**2. The Customer**

* Who is the target customer?
* What are their needs and wants?
* What is the market size?

The target customers for our venture are college students aged 18-24 who struggle with mental health. Their demographics are diverse, meaning that we would accept people from various backgrounds, races, religions, political views, social classes, and educations (NCES, 2011). Because we would be a newborn company, we will focus on the American population within these categories. In terms of needs, our customer faces difficulty with their mental health, and may suffer from depression, anxiety, post-traumatic stress disorder, or other mental issues or illness. Many of these people engage in dangerous activities, such as drinking, consuming drugs, not consuming nutritious foods, and not sleeping well. This can be traced back to the fact they aren’t exposed to proper mental health care. Therefore, it is evident that they need resources to help improve their mental state so that their physical health doesn’t decline in effect. In addition, our customer’s wants include improvement of mental health, affordable psychological and therapeutic services, to connect with others who are struggling with similar issues, to feel less alone and more supported, and they also want to learn more about themselves and develop healthful values and skills for their personal development. Finally, the size of our target market is about 6,000,000 people (USBLS, 2020). We found this by searching the total population of our target market (18-24-year olds) in the United States. As of 2019, 18 to 24-year olds make up about 9.21% of people in the United States, so we found that there are about 30,400,500 people in this demographic out of the whole American population. Next, we found that 30% is the percentage of people aged 18 to 24 that suffer from any mental illness (NIMH, 2019), and we took that percentage from 30,400,500. The result was 9,135,000 total people. Lastly, we found that the percentages of high school graduates who enroll in college are 62.0% and 69.8% (male and female, respectively) (NCES, 2019). The average of these two percentages is 65.9%. If we take this percentage and multiply it by 9,135,000, we find that there are about 6,019,965 people enrolled in college who suffer from any mental issue. Considering the fact that many students drop out after their first year and forward, that would take away a few hundred thousand people off our market. Despite this fact, we would still be looking at a few million people that we can serve with our product.

**3. The Value Proposition**

* **What gains will customers experience?**
* **What pains will customers experience?**

Customers will gain the opportunity to find people who suffer in the same ways they might. They’ll be able to connect and speak to others who understand how they feel. As said previously, the HelloGiggles article most certainly portrays what it feels like for people struggling with mental health issues: “Regardless of medications and specialized therapies, it can be a lonely journey so, for me, having a partner who gets it, gets me, is more than helpful—it’s essential. With that said, these confessions from couples who get it—who know what it’s like to be in each other’s shoes—are inspiring down to the very core. If you’re in a relationship where both of you struggle with mental health, be each other’s rock. It may make all the difference in the world between feeling supported and feeling alone.” Now while these are couples, the same concept still applies, and that is, it’s important that we have people who relate to us. As said in a health article by the University of Minnesota: “Healthy relationships are a vital component of health and wellbeing. There is compelling evidence that strong relationships contribute to a long, healthy, and happy life. Conversely, the health risks from being alone or isolated in one's life are comparable to the risks associated with cigarette smoking, blood pressure, and obesity.” Being mentally and emotionally isolated is just as harmful on the psyche as it is on the physical body. With our app, customers will be able to find a friend, or even simply someone who understands them and gets where they’re coming from that can connect with them. This feature in fact is free. They’ll also be able to gain professional mental help should they subscribe at a very affordable price.

Customers shouldn’t experience any pains. The exclusive feature is free, and the opportunity to connect with professionals is virtual and cheaper than the normal costs. Everything we have to offer is to accommodate their needs and convenience. Only pain that could be possible is that our low rate for subscription is still too much for some. Or the difficulty it may be for those without electronic devices.

**4. The Minimum Viable Product**

* **Who are the competitors and their customers?**
* **What are our minimum viable features?**
* **Are our features valuable and rare?**
* **What is our prototype?**

·   The competitors are obviously therapists and all mental health workers. As far as apps go, BetterHelp, Calm, TalkSpace and others like these have similar ideas. Their customers are people struggling with mental health who cannot afford therapy. Many of these apps are specific to mental disorders. Apps like e-mood are about those who have mood swings. Talkspace is for anyone who needs therapy, but it caters to depression victims as well. Apps such as recovery record are for those who struggle or have recently overcome eating disorders. Apps such as nOCD and Worry Watch are for those struggling with Obsessive Compulsive Disorder. The list goes on, even PTSD, Schizophrenia, and meditation apps can be found at<https://www.psycom.net/25-best-mental-health-apps>.

Our minimum viable product will mainly include video chat, regular chat, and many privacy settings that allow users to customize your experience. When you enter the app, you will have the option to either talk to other people struggling with mental health issues, or a freelance therapist, who we have hired to be active on the app. You can do this either through video chat or just through normal messaging. You will also have the option in the settings of the app to be presented to everyone as anonymous or as your name. If this is successful and profitable, we hope to invest in features that would allow you to schedule in person appointments with the therapists you talked to.

Our ability to find our customers another person suffering from mental health problems and bring them together to connect and relate will be one of a kind. Most of our other features are very common amongst people who have similar ideas, this includes online chatting and counseling on the phone and over video. They also match you with a therapist based on a questionnaire. In-person sessions are usually around $150-$200 per session.

 Prototype here: <https://docs.google.com/presentation/d/1sI5mIzNb6LUqk2_YWjAFZkAyLU85NT-VVNkJB1Nj3NM/edit?usp=sharing>

**5. The Price**

* What are the competitors’ pricing strategies and prices?
* What is our pricing strategy and prices?

Mental health is becoming a more popular topic of conversation nowadays. People are starting to be more comfortable talking about their struggles and challenges, and the negative stigma around the topic is starting to disappear. With the rise of these circumstances, more companies are emerging as a result of the need for mental health services. There are a variety of apps targeting general wellbeing to more specific issues, including depression, anxiety, bipolar disorders, schizophrenia, PTSD, and others.

Through research, we found a few apps that offer similar services as we plan to, such as, BetterHelp, TalkSpace, and Bumble.

BetterHelp offers online therapy and counseling available at any time, day, or place. They offer unlimited texting, and scheduled live phone calls or video chats, with a customer’s respective counselor. Their pricing strategy consists of billing customers every four weeks. Their prices start at $60 per week to $80 per week. Monthly, that is equivalent to $240 to $320. They charge through credit card or PayPal at their scheduled times. They allow customers to cancel their membership any time. Also, health insurance is not accepted (BetterHelp, 2020).

Next, TalkSpace also offers features that allow customers to text their counselor 24/7, as well as the ability to schedule live chat or video chat sessions. Their pricing strategy also consists of monthly bills, starting from $260 for a basic plan with no live sessions. For one live session per month, they charge $316/month. For four live sessions per month, they charge $396, and the same price is for couple’s therapy. They do accept health insurance (TalkSpace, 2020).

Moreover, Bumble offers the ability to match with people, for dating, friendship, or business purposes. Their app is free to use and free to match with people. They have premium features that they charge for to make the user’s experience more qualitative, but it is optional. Users are able to deactivate their accounts if they don’t want to be seen by others, and they can also delete their accounts (Bumble, 2020).

Finally, although our service will have similar features as the above apps, we will offer more affordable options for college students. Ranging from $200 to $250 per month for our licensed therapy and psychological services, our users will be able to text their counselors at any time of the day and schedule a weekly live session by phone or video chat. The user must keep in mind that their counselor may not respond right away, but at least once or twice per day, because counselors also have other clients as well. In addition, we will offer users the ability to connect with people who are experiencing similar struggles, and this will be a free feature. We will also charge monthly and may not offer refunds for unused time during a month.

**6. The Placement Strategy**

* What are our distribution channels?
* Who are our intermediaries?

Because our service will start out as a mobile app, our distribution channels will not be physical places, such as a warehouse or retail store. Instead, our channels will be online companies. The most important one will be app stores, including Apple App Store and Google’s Google Play Store. We also have the advantage of social media. Many businesses nowadays use social media to promote their products because it provides a cheaper way to get discovered by people. Apps like Instagram and Facebook allow businesses to pay to promote a post. In addition, many apps allow the use of hashtags, which is a free way to reach an audience that is interested in the topics you target. Moreover, we would also use sites that help us send out emails to reach more people. For example, we would use a website called Active Campaign, which will not only send automated emails for us, but will also provide us with information about people who engage with our service. We would have to pay them monthly for their service, which will depend on the number of users we gather.

Because we are an online platform, our distribution channels are somehow our intermediaries as well. The app stores act as retailers, because they hold our product for customers to see. Then, we also need to have hosts for our applications, which allows users to be able to access the app anywhere with Internet service. They will also be in charge of protecting our users’ data from hackers or other entities. A company that will be resourceful is Akamai, which will provide the aforementioned services on a subscription basis.

**7. The Promotional Strategy**

* What is the advertising plan and budget?
* What is the public relations plan?
* What is the personal selling plan?
* What is the direct marketing plan and budget?
* What is the sales promotion plan and budget?

Through the promotion elements of our marketing mix we hope to raise awareness for our product through different media to create and foster brand loyalty by actively communicating with the customer about the product and its benefits and features. Specifically, we hope to increase sales, improve our brand equity, and address competitor actions.

The first step in doing this is through advertising. Our advertising plan will make sure to target our customers and any new potential customers we want to bring to our app. Our original target market is 18-24 year olds who struggle with mental health because according to the NIMH this is the group that suffers most from any mental illness. For our advertising plan we will attempt to have a more personal message, unlike most ads, because of the sensitivity of our topic. We will put less of our budget into mass media ads and focus more on web pages and online advertising through social media, a form of interruption marketing we plan to use. These will be very informative advertisements because we are in the beginning of our life cycle and need to show customers what our product does. Our budget for these advertisements will be 50% of our total marketing budget or $30,850. We plan to increase this budget as our sales increase, however as a new product our total promotion budget is not that high as our total sales revenue is not that high as well.

The next step in our integrated marketing mix is our public relations plan. Public relations attempt to increase positive mention of the company, brand, and product in influential media outlets, which for us would consist of mental health and healthcare outlets. Good PR can be a very powerful branding tool and can save a company in a crisis. Our PR group will monitor social media, blogs, and other forms of media that comment on our app, and then report back to us on what we need to change to continue receiving positive feedback. They will also be involved in our inbound marketing strategy of supporting or sponsoring events that involve mental health because this a great opportunity for our company to get a positive look amongst users and other mental health advocates. Finally, they will be briefly involved in the interruption marketing strategy of paid app reviews, where they allow super users to test our app and speak positively about it to others.

The next step in our integrated marketing mix is personal selling. Our personal selling plan will be to create as many personal relationships we can between our clients and the company. Mental health is a very serious topic and our app is a very serious platform that hopes to aid those struggling with any mental health problems. If we have personal relationships with our customers, they will feel more comfortable using the app and will suggest it to others as well. We plan on building these relationships by constantly reaching out to our customers for feedback through phone, email, and chat on the app.

Next in the integrated marketing mix we will focus on direct marketing. Through this method of promotion, we plan to target specific potential customers through telemarketing, customized letters, opt-in email lists, and text messages that communicate important information to prospective and current customers. We will have to pay to receive contact lists and other items to contact these new potential customers, so our budget for this will be 20% of our total promotion budget of $61,700. This will come out to $12,340, which again will hopefully increase as we gain more sales revenue.

Finally, the last step in our integrated marketing mix is sales promotion. These are short-term strategic activities which aim to encourage a surge in sales. This a push strategy that we will enact in order to create brand loyalty and attractiveness. Although we may sacrifice some sales in the short term, these sales promotions will significantly help brand loyalty. One sales promotion that we plan to run is that if you sign up within the first month of the app being on the app store you will get $10 off your monthly price. These sales promotions will encourage customers to join or come back, if the price is something that worries them. Our budget for sales promotion will be 30% of our total marketing budget, or $18,510. As more sales revenue comes in this will increase.

**8. The Sales Process?**

* What is our sale process?

Our sales process would start with the idea of using a higher conversation. By increasing the conversation rate, it would also cause an increase in sales for our group. It's important for us to understand our sales process because it will lead to us closing big deals. Our team will not waste time on trying to close deals that will not actually happen. We will focus on practical deals only. We have three goals that we are trying to reach. These goals are satisfying customer’s needs, making sure the product is reliable, and making sure our customer service is outstanding. We will be searching for new potential customers based on our target customer group. After finding our buyers and consumers, we have to start planning the sale. Planning the sale is very important as it's our first line of contact with a customer. As a team, we started looking into the demographics of our intended market and used that to make a sample group that could test our app. We collected reviews and feedback from them to make improvements to the app, and we were able to finalize the app after that. We, then, made it available on both Android Google Play Store and Apple IOS app stores for use.

**9. The Revenues and Costs**

* What are our itemized estimated costs in year one and year two?
* What types of revenue streams are used by competitors?
* What types of revenue streams will we use?
* What are our estimated revenues in year one and year two?

The itemized estimated costs in year one and year two are about $100,000 for research and development, $363,000 for cost of Goods Sold, $123,420 for marketing, and $611,420.80 for salaries. These are our year one expenses doubled.

Our competitors are mostly apps and subscription-based services, so their main revenue streams are through subscription plans that charge monthly or yearly fees. For our product, we will use a very similar revenue stream and charge a monthly subscription fee of $200 for college students and $250 for all others.

Our estimated revenue for year one and two will be around $1,210,000. Our estimated revenue for year one is around $605,000 and assuming we do well in year one, we can guarantee another $605,000 in year two with the hope for an increase.

**10. The Funding Plan**

* What are our funding requirements?
* Who are our candidate sources of funding?

In order to get our app to where we want it to be our funding requirements will be around $25,000. This will cover the basic needs of starting the app and getting it into the app store where we can begin to bring in good revenue from sales. Although, this may seem like a small number as a new startup, this is a good target for our funding requirements, and as we continue to improve the app and bring in revenue, we will have more money to work with from sales and investors.

Our original source of funding will be the combination of our four salaries upon graduation that we are willing to give towards the startup. As we grow and need more money we will first turn to families and friends, who will be willing to help us for a share in the company. As we continue to increase in size, we will next look to angel investors, who are higher net worth individuals willing to invest in startups for a decent share. Finally, we will recruit some Series A investors to help us develop the app. These investors will give us the most money but will expect a higher share in the company. Through these sources of funding we hope we can get our app to the best possible version of itself.

**11. The Team**

* Who are the founders?
* Who are the advisors?
* Who are the key partners?

The founders of our company are Samuel Heman-Ackah III, Valeria Jovel, Conner Hepting, Hakim Hart, and Ursula M. The first four founding members of our group are students at the University of Maryland and the fifth founder, Ursula, is an Experienced Researcher and Information Professional who joined our team from Upwork.

The advisors of our company are Slava Podmurnyi, Samuel Heman-Ackah II, Lee-Marie Thompson, Tasha Harris, and Steve Morrill. Slava Podmurnyi is the co-founder and CEO of Visartech, who will help us with crucial decisions for our product. Samuel Heman Ackah II is Sam’s dad and the Director of Accounting at Linquest. He will help us with our finances. Lee-Marie Thompson is a business professor at University of Maryland and the founder of Nettadonna, LLC and a close colleague of Sam’s, who will help us through tough decisions as well. Tasha Harris is an Academic advisor at the University of Maryland, who will be there to help whenever we need it. Finally, Steve Morrill is the Director of Information at Loyola Blakefield High School in Towson, Maryland and a former teacher of Conner. He is CompTIA Security+ certified and will help with development of the actual app.

The first partner of the company is Socially Determined, a DC-based healthcare analytics startup that we choose because of the similarity of the company to ours. The second partner is Rose, another mental health start-up in Baltimore and DC, that we choose because they are directly involved in mental health work for our target market. Our third key partner is Hurdle, a Mental Health startup based in DC, who we choose once again because of their work in the field of mental health. Our fourth key partner is the University of Maryland Counseling Center, who we selected because four of our five founders attended the University and had connections with the department. Finally, our final partner is Mindbowser Inc., which is a mobile app developing company from Upwork that can help us with the development of our app.

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