



A STUDY ON THE ONLINE EDUCATION INDUSTRY
BASED ON XYZ ART AND TRAINING INSTITUTION

BY
XIAOLI FENG

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)

SOUTHEAST ASIA UNIVERSITY

ACADEMIC YEAR 2022

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Abstract

This study aim to investigate the online education industry based on XYZ art education and Training Company, by qualitative research via in-depth interview and content analysis, the study found that: 1) Market Segmentation were the groups of students and parents faced by education and training , target Chinese students and parent want to learn mathematics subjects, fine arts, and calligraphy, positioning is to strictly distinguish the company from other companies. 2) Management plan the teacher team is the future and hope of the school, the rapid growth and progress of teachers plays a vital role in the future of the school and is the key to the sustainable development of the school, production planning via course management through the subdivision of the enrollment targets in the primary and secondary school extracurricular tutoring market, students are provided with the current curriculum, operation plan in music education and training industry mainly provides infrastructure guarantee through continuous resource supply, realizes talent promotion and continuous and efficient investment through incentive system, and realizes high-quality and high-level products and services through quality supervision. 3) Financial were projection cash flow on 5 years of XYZ Art Education Company initial investment 7,000,000 Yuan, (ROI) average per year=42.15 %, NPV = 7,755,953 Yuan, IRR = 28.34 %, and Pay Back Period on 4 years and 5 months

Keywords: Online art education, training, institution.

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Section 1

Introduction

1.1 Company Profile

1.1.1 Company Establishment Background

With the support and encouragement of national entrepreneurship-related policies, people's enthusiasm for entrepreneurship has been greatly enhanced, making people more daring to start a business, increasing their personal wealth through entrepreneurship, and solving more people's employment through entrepreneurship. The key issue in the entrepreneurial process is to identify opportunities and seek resources, the essence of which is the process of opportunity identification and utilization. At the end of 2019, Beijing began to implement classified management of private education, dividing education and training institutions into for-profit and non-profit, and allowing new private educational institutions to choose for-profit. At the end of 2020, the original non-profit educational institutions will be allowed to turn into profit-making, indicating that the state has promised that investors in educational institutions can distribute the company's profits. This is a major breakthrough, laying a legal foundation for the development of training institutions, which will further mobilize The enthusiasm of entrepreneurs and investors in the private education industry promotes the development of private education. This is a good entrepreneurial condition for us and stimulates our entrepreneurial enthusiasm.

Our country has a large base of primary and middle school students, many potential users, and a large market share that can be obtained. According to the data in the "Statistical Bulletin on National Economic and Social Development of Beijing in 2020", in 2020, 61,000 ordinary high schools will enroll 61,000 students, 160,000 students will be enrolled, and 52,000 graduates. Ordinary junior high schools enroll 122,000 students, 330,000 students, and 88,000 graduates. Ordinary primary schools enrolled 202,000 students, 995,000 students, and 137,000 graduates. There were

222,000 children in kindergartens and 526,000 children in kindergartens. All kinds of secondary vocational education (including technical schools) enrolled 26,000 students, with 73,000 students and 28,000 graduates. Special education enrolls 1,218 students, 7,308 students, and 1,507 graduates. There are 115 private secondary education institutions with 33,000 students. There are 51 private primary schools with 43,000 students. There are 934 private kindergartens with 211,000 children.

In 2020, Beijing has implemented district lottery for junior high school students, but parents still have a strong willingness to improve their children's overall competitiveness. In addition, the pressure to enter a higher school in the middle school and college entrance examinations is high, and excellent educational resources are scarce and the distribution of educational resources is uneven. Obviously, a huge market demand for education and training has been formed, and it has become a common phenomenon for urban students to participate in extracurricular tutoring, which has also led to the rapid development of extracurricular tutoring institutions in recent years. The cultural courses chosen by XYZ Art Education Company are mainly music skills training. The teaching content includes both teaching products for school textbooks and teaching products for thinking expansion, and layered teaching is carried out according to the situation and needs of students. Now the country actively encourages the cultivation of art, pays attention to quality education, develops in an all-round way, and is open to art education, which brings a broader market for art education. Through the appreciation of various forms of art works and the study of art courses, primary school students gain the enjoyment of beauty and cultivate their sentiments, which can bring them happiness and satisfaction, so that the primary school students' aesthetics can be developed in learning. Parents are willing to enroll 1-2 quality courses for their children in elementary school, if the family's economic situation permits, such as participating in calligraphy, art, dance, taekwondo, musical instruments, eloquence and speech, etc. to cultivate children's artistic interests and improve children's ability Hands-on ability and innovation ability. For middle school students, the number of subjects to study increases and the difficulty of the subjects increases. The direction of supplementary lessons is more focused on cultural subjects, especially Chinese, mathematics, English,

physics, and chemistry. The schedule of supplementary lessons for students is concentrated during weekends and winter and summer vacations.

Based on the first and second tier cities in China, XYZ art Education Company will combine culture and art with a standardized, diversified and personalized unique service model, and combine online and offline to improve the comprehensive quality of students. Based on the market demand, XYZ art education company should select the most needed subject for parents and students—piano training to set up courses, and create a characteristic training institution with cultural and artistic characteristics. Under the great demand and high-quality products, the company can be advantageous position in the competition.

School name: XYZ (Beijing) Technology Co., Ltd.

Registered capital: 10 million yuan

Type of school: non-academic cultural education

School content: art class

Business scope: cultural training, children's art training

Company LOGO:



Figure 1-1 Company LOGO

1.1.2 The school-running philosophy/values of the company

School-running philosophy: to make music education more interesting and efficient,

Values: Believe in mission, love work, willing to go all out and continue to struggle

1.1.3 Company Vision

To become the world's leading music education company is the vision of XYZ art education.

1.1.4 Company Site Selection

There is a saying in the education and training industry, "The success or failure of an education and training institution is 1/3 determined by its location, 1/3 by its teaching, and 1/3 by its marketing." Although this sentence may not be completely correct, the location of the institution determines the travel convenience of customers, the time cost and travel cost of students and parents, and also determines the customer acquisition cost of the company. The location selection thinking of modern successful chain enterprises has transitioned from traditional "location selection" to "scrambling location". Hongqi supermarket chains will always appear at the gate of the community first, and KFC will always open stores in prosperous shopping malls with large traffic. The company's headquarters is located in the core business district of Beijing. The following factors are mainly considered:

- (1) Online education pays more attention to brand image, and it is easy to reach our customers, which is conducive to enrollment and recruitment.
- (2) The headquarters is located in a high-end office building, surrounded by mid-to-high-end residential areas, with a concentrated population, and parents with certain spending power and willingness to spend.
- (3) The surrounding environment is good and fully furnished.
- (4) The transportation is convenient, it is convenient for employees to commute to and from get off work, and it is convenient to receive investors, parents of media students and inspect the company's strength.
- (5) The lease period must be at least three years, because too short a lease period is not conducive to the company's long-term development plan. The business premises can be expanded at any time.

- (6) According to the company's positioning in the core and first-tier cities, the rent price is moderate. If the shop is good but the rent price is high, it will easily bring greater cost pressure to the organization, which is not conducive to the company's development.
- (7) The size of the shop should be 300~500m², and the area can be divided into enough classrooms. If it is too small, it will affect the classroom layout, and the company's profitability will be limited. If it is too large, it will easily cause classrooms to be idle and cannot be fully utilized. Fully demonstrate the concept of "small but refined, small and beautiful", so as to maximize the utilization rate of the site.
- (8) The country has higher and higher requirements for the shops of training institutions, and meeting the requirements of relevant departments is a prerequisite that must be considered.

1.2 Current Situation analysis

(SWOT analysis method)

This report uses the SWOT analysis method to analyze all aspects of the internal and external conditions of XYZ Art Education Company. SWOT analysis stands for analyzing business strengths, weaknesses, opportunities and threats. Through SWOT analysis, entrepreneurs can clearly know the advantages and disadvantages of the company, where are the opportunities and challenges faced, and can help the company to reasonably arrange resources and action goals in its own advantages and the most opportunities, and formulate a plan that meets the needs of the company. development of strategic planning. The analysis summary is shown in Table 1-1.

Table 1-1 SWOT Analysis Matrix of XYZ Art Education Company

	Strengths	Weaknesses
Internal capacity	The team has certain management experience The product is cost-effective and has certain competitiveness	A few systems are not perfect, brand recognition is low, knowledge reserve is incomplete, single source of funds, financing ability is weak, and front-line cost investment is large;
External factors	Accumulate a certain source of students Have a certain ability to resist risks	
Opportunities	SO	WO
Government policy encourages private institutions to regulate school running; Families spend more on K12 education and training; Parents have higher acceptance of education and training institutions; It is difficult to form a dominance situation.	Seize new customers with cost-effective products; Concentrate superior resources and develop surrounding markets; Try more service methods and strengthen the integration of online and offline education.	Concentrate on strengthening curriculum development; Strengthen brand promotion, build customer trust and collect cases; Strengthen the construction of teaching staff; Improve the financing ability of the company.
Threats	ST	WT
Similar products of strong competitors; The online products of some well-known foreign education and training companies continue to penetrate into third- and fourth-tier cities; Some teachers in the school bundle their interests with training institutions.	Develop remote markets and provide more cost-effective training services; Develop distinctive courses and services and strengthen brand promotion; Strengthen cooperation with surrounding schools.	Steady and steady, improve the curriculum system, management system, and wait for the opportunity; Maintain existing customer relationships.

1.2.1 Strengths Analysis

(1) The founding team has certain experience in the operation and management of education and training companies. All affairs in the initial stage of the company need to be completed by the founding team, such as the formulation of the company's various systems, task assignments, equity allocation plans, course development, etc. An excellent founding team is the core of the company and the internal driving force of the company the source of success is the first step to entrepreneurial success. The three founding members of XYZ Art Education Company uphold the entrepreneurial spirit of unity, innovation, fearlessness and courage, and with the vision of "making children realize their dreams tomorrow and make life bloom wonderfully", they strive to achieve a win-win situation for students, parents, teachers and schools. Target. The founding members not only have many years of teaching experience, but also have rich campus development experience and management capabilities, which have eliminated many potential obstacles and risks and ensured the smooth operation and sustainable development of the project.

(2) Competitive teaching products. The ultimate competitiveness of training institutions is the competition of their teaching quality [24]. XYZ art Education Company pays attention to the cultivation of students' learning habits and the improvement of their overall quality. The company is positioned in the development of the market in first- and second-tier cities, and enjoys high-quality teaching and services at a moderate price. First of all, conduct in-depth communication with students before class, conduct systematic tests on students, accurately analyze students' existing problems, and propose personalized counseling programs and learning plans. Secondly, the school conducts careful research on culture and art courses, creates characteristic courses, and provides differentiated services and personalized guidance. The two types of courses will combine multimedia teaching, dual-teacher classroom teaching, online classroom teaching and other auxiliary teaching tools, adopt teaching methods and teaching styles that students generally like and accept, and carry out targeted teaching training to increase the fun and flexibility of learning, Improve the teaching effect, ensure the quality of teaching, and

better meet the needs of parents. At the same time, we have noticed that good family education methods and a harmonious family education atmosphere are the cornerstones of children's learning and growth. We provide free family education service support for parents, and provide family education knowledge lectures, family education experience sharing and exchange meetings, family education videos, etc. , Do what we can to help parents deal with some children's life and study problems. Finally, establish a home-school cooperation mechanism, maintain close communication with parents, keep abreast of students' learning conditions, and constantly improve learning plans to ensure that learning achieves results.

(3) At present, the company has accumulated a certain number of students in the one and a half years of operation. Although the first year invested in rent, decoration costs, and purchase of facilities and equipment, etc., the impact of the epidemic in early 2020 has delayed the company's development pace, but excluding all inputs and daily expenses, the company is still profitable and has a good cash flow, which shows that the company has certain risk resistance and market competitiveness.

(4) The company establishes a city familiar to itself, has corresponding resources, and has local combat advantages. In addition, the input costs in third-, fourth-, and fifth-tier cities are less, which is more conducive to our investment and expansion, forming a chain scale effect.

1.2.2 Weakness Analysis

(1) The source of funds is single and the financing capacity is weak. Although the company's current cash flow is good, as a start-up company, we also face the embarrassing situation of less reserve funds. The company's funds come from the founders themselves, with few financing channels. In addition, we have to deal with the impact of emergencies such as the epidemic. At this stage, we dare not take too much action. It makes us have to pay attention to the operation of funds all the time, which affects the company's decision-making in the operation process and hinders the next step of promotion and occupation of the market.

(2) Brand recognition is low. The reputation and word-of-mouth of a start-up company requires a certain amount of accumulation, and it cannot be compared with established institutions or chain institutions in the short term. It is understood that in the development of small and medium-sized cities, word of mouth and fame are one of the main factors affecting parents' choice of educational institutions. The disadvantage of popularity will reduce our ability to obtain students, and we will face a greater opportunity cost in the early stage. How to quickly increase the regional popularity, enhance the company's influence, open up the local market, and obtain more students is the bottleneck we need to break through in the next step. The company will strengthen publicity efforts, adopt a publicity strategy of "centralizing marketing content and diversifying promotional methods", further diversify its advantageous businesses, and give full play to this core competitiveness strength [25]. At the same time, the teaching quality and service level are continuously improved.

(3) The strength of teachers needs to be improved, and the relevant systems are not perfect. At present, the quality and quantity of the company's teachers are far behind those of large institutions. The gap in the number of teachers will further affect the progress of curriculum development and teaching material research and development. Teachers are an important guarantee for the effectiveness of courses. The company has limited manpower in the early stage, and has not yet established a special functional department to be fully responsible for the company's various systems. Some management systems are not perfect, and they need to be continuously constructed and improved in the later stage to meet the company's future development needs.

1.2.3 Opportunity Analysis

(1) At present, the state encourages private funds to enter the education and training industry, and divides private educational institutions into profit-making and non-profit institutions, which greatly enhances the enthusiasm of private educational institutions. At the same time, Sichuan Province has strengthened the supervision and investigation of small workshop-style training institutions that have not obtained legal qualifications for running schools, and has explicitly prohibited teachers from privately

making up lessons outside the school. This has rectified the education and training market and further released the potential of the education and training market. XYZ Art It is a good opportunity for education companies.

(2) Although there are many training institutions in first- and second-tier cities, most of them are large-scale training institutions, and the education level is uneven. The education and training market is scattered, and it is difficult for educational institutions to form a dominant situation. However, the K12 education and training market has a student base Large, long training cycle, with a broad market.

(3) Parents have a high degree of acceptance of education and training institutions. Parents born in the 1980s and 1990s are open to education and training, pay attention to their children's cultural and artistic education, and have a strong sense of extracurricular training. In addition, the family income is relatively considerable, the cost of living is relatively low, and there are good economic conditions for children to receive targeted education and training to improve their overall quality. This makes the scale of the education and training market continue to grow, which is conducive to the development of XYZ Art Education Company.

(4) With the deep integration of Internet technology, artificial intelligence technology and education and training, the resulting online teaching and intelligent teaching are still in the early stages of development, but the application prospects are promising. XYZ Art Education Company will increase investment in technology according to its own situation , will adopt a combination of online teaching and offline teaching to provide students with convenient learning methods and keep up with the pace of changes in the education industry.

1.2.4 Threats Analysis

(1) Large-scale chain institutions participate in regional competition, adopt ultra-low price models to compete for the market, and reshuffle regional educational institutions.

(2) Some well-known foreign education and training companies continue to expand their business in China, integrate resources with domestic institutions, and

continue to penetrate into third- and fourth-tier cities. In particular, language institutions that provide foreign online English tutoring training, or import foreign education methods and ideas, are very attractive to some parents who advocate Western education, and will pose a considerable threat to mainland education and training institutions.

(3) Some on-campus teachers bundle their interests with training institutions, help training institutions to promote enrollment, or work in off-campus institutions, and the unfair phenomenon of preempting students in advance still exists. This phenomenon is highly concealed and difficult to obtain evidence and investigate. Parents will not provide evidence or report, and most of them will avoid directly conflicting with teachers.

1.2.5 Summary

The study found that XYZ art Education Company is facing both opportunities and challenges. In the post-epidemic period, the growth strategy will be the best option for the company's development, which is the primary competitive strategy. This requires us to do a good job in market segmentation, make full use of our own advantages, create core products, seize development opportunities, overcome our own disadvantages, and adopt necessary strategies in the face of threats. By establishing a brand agency, we will expand to surrounding cities and develop the possibility of forming a chain company is very high.

1.3 Feasibility analysis

1.3.1 Products and Services

XYZ (Beijing) Technology Co., Ltd. is an AI-driven technology music education company. Committed to making everyone enjoy the fun of music through software and hardware products. The company will invest a lot of teachers and funds to ensure the characteristics and advantages of the product. From the perspective of the company's development plan, the entrepreneurial project is divided into three stages, and different products will be added in each stage.

XYZ Music Education owns multiple music education brands such as The ONE Smart Piano, XYZ Smart Sparring, and XYZ Sparring. The ONE smart piano has been in the forefront of the same category on Tmall Double 11 for 7 consecutive years. As the pioneer of global AI intelligent sparring, XYZ intelligent sparring users have spread all over the world in 107 countries and regions. The combination of XYZAI + online training with real teachers has created a new mode of full-scene piano practice. In 2020, XYZ won the Tencent "2020 Influential Quality Education Brand" award, NetEase's 2020 Influential Online Education Brand award and Sina's 2020 Parent Trusted Online Education Brand award.

The first stage product, XYZ music education mainly focuses on online training. Released The ONE smart piano classroom for children. On the basis of accompanying training, the smart piano classroom can adapt to the nature of children aged 4-8, and can also make children fall in love with playing the piano. Immediately afterwards, the smart classical piano that supports Bluetooth connection - "The ONE Piano +" was released, which met the needs of more parents for their children to "learn piano happily". Simple, joyful, and more efficient, this future concept of music education has won numerous awards for XYZ music education.

The second-stage product, when the first-stage product is relatively mature, the school has also passed the survival period, and has a certain source of students and funds. At this time, advanced professional classes will be further expanded, such as courses aimed at rapid improvement of the tenth level of piano, and live broadcast classes will be carried out at the same time, training Internet celebrity teachers, making Internet celebrity products, recording micro-classes, and promoting fans through self-media platforms such as Douyin. Shi's online products are not for profit. The purpose is to enhance the school's popularity, cultivate user habits, and attract users to offline training. At the same time, it is a preliminary exploration of online courses. The family education class is set up as a supporting package, mainly to enhance parents' attention to family education of piano accompaniment, and to help them deal with child management problems. It is also conducive to building trust between us and parents and cultivating customer loyalty.

In the third stage of products, the company team has been further expanded, the offline courses have been further enriched and improved, and it has a certain scale of customer groups and fans. At this time, it will start to establish an online learning school to integrate online learning with online learning. Users can learn directly online, or choose to learn offline. The user group will not be limited to online users, but more accurate offline users, to improve teaching quality and increase customer order charges; this will be the company's core growth business. But at the same time, it will be a huge test for teachers and customers;

In the future, courses related to different types of musical instruments such as violin, cello, accordion, and zither can be added to continuously enrich the SKU of XYZ art education to meet the different needs of the market.

1.3.2 Market Analysis

1. market situation

According to the statistics of the China Music Association, the total number of piano children in China has reached 30 million, and it is growing at a rate of 10% every year. As a mainstream instrument, the piano has become the first choice of most families and music lovers, and the piano learning market also has great potential in the future.

However, in the traditional piano learning mode, there have been many problems in the process of piano practice after class for a long time: students practice piano at home without real-time professional guidance, resulting in low efficiency of piano practice; The piano player can only solve the problems that arise during the piano practice by himself. Moreover, a large number of mechanical repetitive exercises can easily reduce the interest and enthusiasm of piano learners.

With the implementation of the double reduction policy, online piano training is still increasing. The introduction of the previous "double reduction" policy dealt a heavy blow to online subject education companies, and the market fell into chaos. However, this did not make capital lose confidence in the online sparring track. Instead, financing information continued to spread, giving online quality education

New opportunity. In addition, it can be seen from the education policies released in recent years that the country's emphasis on quality education will definitely arouse a new wave.

As "China Music Education Market Trend Research Report" released by iiMedia Consulting shows that the scale of China's music education market has reached 113.38 billion Yuan in 2021, and the education market will be released under the release of future policy dividends. The expansion speed is more obvious, and it is expected to reach 161.67 billion Yuan in 2025.

According to the statistics of the China Music Association, the proportion of piano learning in kindergartens is over 60%, while that in primary schools is 30%. However, the penetration rate of the piano training industry market in the United States, Canada and other Europe and the United States is about 40%, while that in China is only 4%.

This means that the space for online piano sparring is very broad, and the national rigid demand still exists.

2. Market supply and demand analysis

The K12 education and training market is huge, but the number of training institutions is also increasing rapidly, and the internal competition among institutions will become increasingly fierce. With the gradual implementation of the two-child policy, my country is expected to have a population growth of 5-7 million. For education and training, the market prospect is good.

3. Market Development Analysis

K12 education and training has developed from the traditional offline model to online and offline models. In recent years, with the continuous exploration of major education companies and the continuous enrichment of teaching models and forms, OMO has gradually become a hot word in the education and training industry. The OMO model refers to the deep integration of online and offline, which transforms the advantages of offline education and online education into each other to obtain new increments. At present, the industry is generally optimistic about the OMO model,

and believes that the OMO model will be the final form of the education and training industry in the next 10 years.

At present, even though some big-brand educational institutions have settled in third- and fourth-tier cities, the training market is huge, and parents have many considerations, so it is impossible to form a monopoly situation. For the form of purely online classes, the students' recognition in primary school is low, and the effect of students' learning needs to be verified. The future development trend of the education and training market mainly includes the following points:

(1) Accelerating product innovation and accelerating the integration of online and offline into a future development trend

Under the influence of the epidemic, the online education is rapidly increasing, and the integration of online and offline will become the mainstream in the future. High-quality teaching products and services such as live broadcast classes, small class classes, and video classes will improve the core competitiveness of institutions, and be innovative and intelligent. The differentiated educational products are the key to maintaining sustainable profitability.

(2) The popularity of quality education continues to rise

Under the guidance of national policies, parents born in the 1980s and 1990s are paying more and more attention to quality education. As consumption upgrades and education expenditures increase, quality education will be more favored, and more and more private capital is also involved in the education and training industry. middle.

(3) The market size of third-tier, fourth-tier and fifth-tier cities will gradually increase

The K12 education market in second-tier cities is relatively mature, and the market competition is more intense. The number of primary and secondary school students in my country is huge, and the scale is relatively stable. There is still a lot of room for development in offline education and training in third-, fourth-, and fifth-tier cities, while K12 online education is still in the early stages of development, and the

trust of online users is still in the cultivation stage. The effect has not been established, and it will become the main incremental market for K12 education and training in the future.

1.3.3 Organization Feasibility Analysis

1. Early company organizational structure

It is currently the start-up period of XYZ Art Education Company. According to the company's current specific situation, a streamlined functional organizational structure is adopted, with efficient operation and good performance as the prerequisites, and the principle of service strategy and goals, the principle of equal responsibility and power, and the principle of customer orientation. , Lean and efficient principle. In the start-up period, there will not be too many levels and the rights will be concentrated. In the development period, the core functional departments will set up the administrative department, the teaching department, the marketing department, and the corresponding department heads. "Promotion incentives" can reduce management costs while ensuring efficient operation of the organization. Its purpose is to provide parents and students with satisfactory teaching products and teaching services, and then obtain as much profit as possible for the company.

2. Mid-to-late stage company organizational structure

As shown in Figure 1-5, the positions of chairman, general manager and deputy general manager will be set up according to the company's development scale in the middle and later stages. The manager manages the overall finances of the company. The company's operation center is responsible for the company's overall R&D, administration, marketing, teaching and development, providing a strong guarantee for the operation of the following campuses, and exporting complete systems, products, services, etc. According to the planning and requirements of the head office, the executive principals of each campus will manage the specific affairs of each campus and complete the performance goals of the campuses. The principals of each

campus can be promoted to concurrently serve as the director of the operation center or the principal of the regional major.

1.3.4 Accounting Analysis

The use and distribution planning of the initial funds determines the first step of the company's stable development. We have made detailed and realistic forecasts from the initial funds to the company's project income and expenditure in the next five years, and through financial analysis, we have predicted the company's future operations. According to the situation, the feasibility of the XYZ art education project is obtained.

Through the detailed prediction of policy risk, market risk, operation risk, management risk and other aspects that the company will face in the future, and formulate corresponding corresponding strategies, so as to improve the company's ability to resist risks. These two are complementary to the company's strategy. Before the risk occurs, predict and avoid it in advance, so as to gain an advantage in the market competition and realize value for the company.

1.4 Research Objectives

To study the online education industry based on XYZ art education and training institution

Section 2

Marketing Plan

2.1 STP analysis

STP analysis refers to market segmentation (Segmenting), selection of target market (Targeting) and product positioning (Positioning) [26]. For the K12 education and training market, each family has different lifestyles, economic conditions, and perceptions of education, and there are also great differences in the knowledge mastery, learning ability, and hobbies of students, which leads to their differences. Educational needs are diverse, and the focus of attention is different. Education and training institutions need to find their own customer groups and provide students with corresponding products and services in a targeted manner.

2.1.1 Market Segmentation

The groups of students and parents faced by education and training companies are very different in their consumption level, learning situation, educational concept, geographical environment and cultural environment, so no educational product can satisfy both needs. Everyone's needs. Judging from the distribution of institutions in China's education industry in 2020, the types of institutions in my country's education industry are very diverse, and the industry is fully competitive, but the market is still scattered and the concentration is low. my country's K12 education and training industry is mainly dominated by small and micro institutions, accounting for 70%; medium-sized institutions account for 20%; giant and large institutions account for 10%. The online K12 after-school training market is in the initial stage of rapid development, and top companies whose models have been verified are forming the first echelon.

We use market segmentation to group several consumers with similar needs and desires, buying behaviors, and buying habits. By rationally allocating resources, less intensity of competition is conducive to market development and targets

The market develops appropriate marketing strategies to increase the possibility of profit and improve the competitiveness of the company. According to different standards, we classify training institutions as follows

(1) According to the classification of teaching forms, it can be divided into online teaching training and offline teaching training. Due to the obvious advantages and disadvantages of the two forms, the current education and training methods are developing towards a model that combines online and offline, integrating traditional training with modern technology, so as to better leverage the advantages of the two methods and make up for the single training method Insufficient, so as to bring better training experience to consumers and obtain better training effect. Judging from the educational products provided, online educational institutions can be divided into three categories: tool-based, platform-based, and content-based.

(2) Classified according to the type of courses, it can be divided into subject, quality, study abroad, language and so on.

(3) According to class classification, it can be divided into large class, small class, and one-on-one.

(4) According to the classification of business area, it can be divided into local institutions, trans-provincial institutions, national institutions and transnational institutions.

(5) According to the age classification of training, it can be divided into preschool, elementary school, junior high school, high school, and adult education training.

2.1.2 Target market

According to the results of market segmentation, and comprehensively considering factors such as the company's own situation and the difficulty of curriculum system research and development, market prospects, and market profits, the start-up team of XYZ Art Education Company decided to take Chinese and mathematics subjects, fine arts, and calligraphy as the core competitive market. Focus on offline education and training, supplemented by online micro-class technology to

provide personalized education and training services. According to the company's development strategy, the logic of selecting the target market is as follows:

(1) In the academic training market, the market demand for the three subjects other than Chinese and Mathematics is huge. They are core subjects from elementary school to high school, with the largest score. Parents pay high attention to them. They also have a broad market in third-, fourth-, and fifth-tier cities. Second, it matches the situation of teachers in the school. At the same time, it is easier to recruit and train teachers for the three subjects. Thirdly, books and teaching materials are more systematic and comprehensive, which is easy to collect and sort out, which reduces the difficulty of developing the curriculum system. It will effectively solve the pain points of parents in tutoring students' learning from Monday to weekend, ensure the learning effect of students, and improve the utilization rate of classrooms and the work efficiency of teachers. In the early stage, the company chose art and calligraphy courses in the quality training market. This is based on the fact that quality education is getting more and more attention from people. It can cultivate children's imagination, creativity, thinking, judgment, communication skills, and hands-on ability. , pay attention to the formation of a sound personality of the person. Parents born in the 1980s and 1990s who have reached a well-off level and above are not in the minority who have started to train their children from the preschool stage. Quality education and subject education complement each other, and they can more comprehensively explore and display their children's talents.

(2) XYZ Education Company offers one-to-one and high-quality small class teaching. Through interactive teaching between offline teachers and students, it is easier to mobilize the enthusiasm of students and cultivate the relationship and trust between students and teachers. Online micro-classroom teaching breaks the barriers of time and space. It is convenient for students to strengthen the absorption of knowledge and check for gaps and make up for omissions. It can better achieve personalized teaching goals, meet the needs of students and parents, and improve learning effects.

(3) Based on Qionglai City, Chengdu, the company reduces the start-up capital, reduces the pressure of competition, continuously accumulates development experience in third-, fourth-, and fifth-tier cities, improves the development model, improves the curriculum system, and enhances the brand reputation, and then expands to surrounding cities, opens branch schools, and gradually Establish a chain operation model in third-, fourth-, and fifth-tier cities across the province, and eventually expand to other provinces and cities.

2.1.3 Market positioning

The essence of market positioning is to strictly distinguish the company from other companies, so that customers can clearly feel and recognize this difference, thus occupying a special position in the minds of customers [27]. We know that every parent has an expectation for their children, every child has a dream, and every student has his particularity, so XYZ Art Education Company needs to strongly shape an impressive and distinctive personality or image. We build core products by combining major cultural courses and quality subjects, choose third-, fourth-, and fifth-tier cities as breakthrough points, and avoid strong competitors. According to each student's knowledge mastery, learning attitude, hobbies, learning style, behavior habits, personality characteristics, etc., a suitable learning plan is formulated for the student. After each stage of study, the test scores are combined with other evaluation criteria for re-testing, and based on the evaluation report, some reasonable training suggestions are put forward to parents from the perspective of children's future growth and development. Pay attention to the needs of the development of students' psychological quality, provide scientific guidance to parents, and take the initiative to give parents feedback on their children's situation through classroom videos, growth files, and report cards. Combining offline education with online education, we provide cost-effective, personalized, professional, scientific learning programs and high-quality services to meet the needs and desires of different customers, and our purpose is to help students improve their overall quality, so that every child finds his shining point, lays a solid foundation for the future, and helps children realize their dreams of tomorrow. XYZ Art Education Company hopes to impress parents and students as a

"warm and professional education company", and eventually become a respected education company.

2.2 Marketing strategy

In his book "Marketing Management", Professor Philip Kotler renewed his understanding of marketing: marketing is to identify and meet the needs of human beings and society. After determining the target market, then we need to consider how to let our target customers know about our products and let them have the behavior of buying products. Marketing scientist EJerome McCarthy put forward 4Ps theory, 4Ps refers to product, price, channel and promotion respectively [29]. Different products correspond to different prices, and different sales channels and promotion methods will affect customers' consumption behavior. Only by selling educational products and services can the company gain profits. As the market in all walks of life becomes more and more fierce, it is more and more important for companies to establish long-term and stable relationships with customers. Since then Elliott Ettenberg (ElliottEttenberg) put forward 4R marketing theory, namely Relationship (relationship), Reaction (response), Relevancy (association) and Reward (compensation).

This theory aims at cultivating customers' loyalty to the enterprise, and establishes a good relationship with customers through association, relationship, response and other forms to form a unique competitive advantage [30]. It is a more effective marketing strategy to allow enterprises and consumers to achieve a win-win effect as much as possible. Education and training from elementary school to high school is a long-term service process, not a one-time sale. Therefore, XYZ Art Education Company needs to fully establish a solid long-term cooperative relationship with customers, and focus on target customers rather than one-time sales. It only means the beginning of the relationship with customers rather than the end. Only in this way can the problem of customer mobility be solved and the long-term economic benefits of the enterprise can be guaranteed.

2.2.1 4P Marketing

1. Product Strategy

The key to the success and development of education and training companies lies in the degree to which products and services meet the needs of consumers and whether the product strategy is correct or not. The most basic point of marketing is to know what consumers are thinking. We need a lot of analysis to understand the internal motivations of consumers to buy products and keep digging. Through the questionnaire survey it is not difficult to see that the core needs of parents mainly include the following three points: improving children's academic performance; cultivating children's interests and hobbies; improving children's thinking ability.

The basic products corresponding to the core interests of parents are quality courses and the three subjects of language, mathematics and foreign language in the subject category. Therefore, XYZ art Education Company must focus on core courses when designing courses, instead of consuming resources to make "big and comprehensive", but to make core courses special and reduce homogeneous competition as much as possible. In order to enable our courses to meet the needs and expectations of students and parents, leave a deep impression on target customers, establish long-term trust relationships with target customers, and help improve reputation and form word-of-mouth.

In addition, additional products and value-added services are also very important. XYZ Art Education Company also set up evening tutoring classes to solve the problem that parents born in the 80s and 90s are busy with work and cannot pick up their children in time and help them with their homework. Carry out public welfare counseling courses related to psychological education, parent-child education exchange meetings, etc. to strengthen the communication between children and parents, enhance mutual understanding, and cultivate a good parent-child relationship between parents and students. Establish an evaluation system to help children analyze problems, combine test scores with other evaluation criteria, help

students understand themselves, give parents reasonable suggestions, and promote the improvement of children's overall quality. Set up an online micro-classroom to break the space limitation to assist children in learning, check for gaps and make up for omissions, and use the online micro-classroom to attract more potential customers. Regularly communicate with each parent about the child's learning and living conditions, share the child's growth journey, build a friendly home-school relationship, actively cooperate with parents, listen to parents' opinions and suggestions, optimize the learning plan in time, and improve the learning effect . Establish a scholarship mechanism, timely reward students who have made progress in learning and excellent performance, set a learning example, and fully mobilize the enthusiasm and participation of students. Build a multi-faceted display platform for students, carry out fun activities, festival parent-child activities, increase parents' participation and also enhance parents' comprehensive understanding of their children. Always leave a "warm and professional" impression on parents and students, improve children's learning experience, and improve parents' satisfaction.

2. Price Strategy

Managers only need to pull the four levers to improve the company's profitability, namely sales volume, variable costs, fixed costs, and price. A series of studies have shown that pulling the price lever is the most effective way to improve the company's profitability [31].

Combination pricing: Different packages are set according to the courses students study. For example, the average price of a multi-subject combination package is more favorable than the price of one subject alone, or the opportunity to study other subjects is given as a gift for customers who enroll in two subjects. At the same time, it increases the total amount of class hours that students enroll and obtains more profits.

Penetration pricing: different preferential discounts are adopted for old students and new students who have studied. It is often more difficult to recruit a new student than to recycle an old student. Old students may make other choices after each period of study, ensuring the quality of teaching under the premise of this,

adopting a more favorable price strategy for veteran students in lower grades can establish a long-term cooperative relationship, prevent the loss of veteran students, and help expand the scale of students.

Free experience: Free can actually bring great wealth. Nowadays, "free strategy" can be seen everywhere. The free strategy is so popular, while the traditional pricing strategy has lost its light. For example, the search tool is free and open to everyone, but a lot of content in it needs to be paid, and the promoters need to be charged; the service in the bar is only charged to men, and women can drink for free. If there are more women, then it will attract more men. , most men will buy drinks and other services for the women in order to gain more contact opportunities. Free can lead to a huge pool of potential paying customers, and there will always be someone who pays for the free lunch. Therefore, we can free some courses first, such as recorded courses, online micro-classes, public welfare courses, experience courses, etc., so that more people can know what we teach, how to teach, and the effect of teaching, and finally tap the potential customers and quickly occupy the market.

Installment payment: In the past, you can buy goods worth tens of thousands in installments, but now you can buy tens of thousands of small commodities and you can also pay in installments. So why can't we split sales in education and training? Nowadays, a lot of education and training are charged in advance, and some even charge for a year in advance. This not only brings huge pressure to the family, but also brings hidden dangers to the stability of the market. There are many examples of road training, which have brought a great negative impact on the training market, and the regulatory authorities have also introduced a series of policies to monitor. TY Education will further break down the price barriers for purchasing goods by dividing courses into sales, lower the training threshold, and stimulate more potential customers. Households will reduce more payment pressure, which is in line with market expectations.

Differentiated pricing: Faced with the same product or service, different customers have different willingness to pay. It is unwise to set a single price. Differentiated pricing of products is a good way to consciously divide the prices of

different classes into three levels: bottom, middle and high. In addition, we can adopt channel differentiated pricing, different channels have different prices for students; time differentiated pricing, different learning time adopts different prices; these pricing structures ensure that customers with different price sensitivities can find suitable products And services, so that the company can maximize the benefits of operation. Parents will purchase different courses and services under different circumstances, fully understand the needs of customers, identify and seize such opportunities, and enable companies to design more effective price strategies, thereby motivating customers to buy more products.

3. Place strategy

In the education and training industry, the channel strategy determines whether the enterprise can successfully develop the market and obtain a large number of students. It is one of the important ways to ensure the achievement of business goals. Build its own traffic and form an internal cycle: By serving the existing old students well, the old students can get a better course experience, and it is more helpful to recycle the old students. The satisfaction of old students is the key to forming an internal cycle. Only the high satisfaction of the old students can form a good reputation. Not only can the old students be expanded, but the old students themselves are the best channel to obtain other new students. With the demonstration effect of old students and the trust relationship between old students and classmates, it will be half the effort to recommend new students to participate. Through our questionnaire survey, we found that, as shown in Figure 2-4, more than 70% of the students were introduced by acquaintances. The "2020 China K12 Online Education Industry Research Report" released by iiMedia Consulting also pointed out that nearly 70% of the interviewed K12 users said they learned K12 education platform and course information from acquaintances. In addition, you can also establish contact with some teachers of primary and secondary schools in the urban area, and get some help and teaching guidance from them under the premise of legal permission.

Strengthen network promotion: KeeganWJ's research results show that the current Internet marketing industry has become one of the important ways for modern enterprises to carry out marketing activities, and its role in the marketing practice of modern enterprises is becoming more and more prominent [33]. WeChat, short video media, etc. have become the most popular applications today. With the rapid development of new media technology, the way people receive and disseminate information is undergoing profound changes. Short video has now become a mainstream of network communication, and the circle of friends has become a video lock up. According to the "47th Statistical Report on China's Internet Development Status" released by the China Internet Network Information Center, as of December 2020, the number of short video users in my country was 873 million, an increase of 100 million compared with March 2020, accounting for 99% of the total Internet users. 88.3% [34]. Compared with long video film and television works, this light weight itself shows that the existence of short video is to achieve the goal of "easy to spread" and "suitable for spread" from the very beginning, and to make the audience in fragmented time as much as possible. After watching the video content in [35]. The use of short video media to promote courses, services, and company highlights is already one of the most important channels to acquire customers. In order to better meet the increasingly diverse needs of students, education and training institutions need to make reasonable use of "short video + social media" "The model helps the company achieve greater economic benefits and brand benefits, and give full play to its role in rapid promotion. Promotion of cross-industry alliances: promotion of cross-industry alliances can integrate some merchants, self-employed, small and micro enterprises together, and build up strength from the weak. Each merchant provides its own customer resources, and uses a mechanism for resource replacement or joint publicity. To tap more customers and gain more market share. For education and training companies, we can carry out some activities with optical shops, bookstores, book bars, movie theaters, training institutions that do not conflict with each other, stationery stores, etc., and conduct joint publicity to achieve the effect of recruiting students and improving the brand. The effect of influence.

4. Promotion strategy

The promotional strategy can attract the attention and interest of the parents, resolve their doubts, solve their difficulties, find what they like, provide what they need, and stimulate parents' desire and behavior to purchase, so as to achieve the purpose of establishing cooperation between the two parties. Promotion can quickly bring customers closer and catalyze potential demand into real demand [36]. XYZ Art Education Company will adopt promotion strategies including public lectures, community service, large-scale festivals, sponsorship activities, introduction of old and new ones, etc. We must pay attention to the purpose and pertinence of the promotion strategy in order to achieve good results. Promotions include not only discounts on the course price itself, but also a series of marketing activities such as brand promotion advertisements and brand public relations. Adopt fission promotion strategy, let users continue to share the school's information, can continuously expand more contacts, let the school get in touch with more fans, and will receive increasing customer attention and transactions.

2.2.2 4R Marketing

In the education and training industry, traditional marketing methods such as telephone sales, e-mail advertisements, and leaflets are playing less and less roles. The way people receive relevant information has undergone major changes. It is more effective to use third-party word-of-mouth publicity, such as Suggestions from experts and scholars, celebrity endorsements, recommendations from relatives and friends. Studies have shown that recommendations from relatives and friends are a powerful factor in motivating consumers to purchase behavior. More than 90% of people trust recommendations from acquaintances, and more than 70% of people trust reviews posted by other consumers on the Internet. The 4R theory takes relationship marketing as its core and focuses on building customer loyalty

In recent years, the number of training institutions has increased sharply. The competition between online and offline educational institutions is particularly fierce. The homogeneity of the courses of small and micro institutions is serious, and many institutions are also pursuing low-price strategies. So why do parents choose their own

Institutions instead of choosing other institutions? Therefore, XYZ Art Education Company needs to establish a long-term interactive relationship with customers in the changing dynamics of the market, so as to prevent the loss of customers and win a long-term and stable market. To build a special relationship with target customers requires effective service and experience. Improving the service quality of the entire course sales link (pre-sales, sales, and after-sales) is a very important part. We need to establish a professional sales consultant team to answer customers' questions, establish a follow-up service mechanism, and proactively discover and satisfy Customer desires, including hidden desires that customers are not fully aware of. Let parents, friends and students experience more unique, pleasant and warm throughout the learning process. Consumption is both an economic activity and a sensory and aesthetic experience, products are things that can be imitated by competitors, and some needs are emotional. Even with the same course and the same price, we want to have a different experience from others. One day our students no longer need to take our courses after graduation, but we can leave them with an unforgettable learning experience. There's value in studying with us and being in touch with us occasionally, coming back to see us and see our place, and I think that's what we do.

1. Reaction

Customer needs will change constantly, and new needs may arise at any time. XYZ Art Education Company should learn to listen to the opinions of parents and students, to find, discover and excavate the desires of customers. The dissatisfaction and doubts of parents and students may bring negative consequences. Influence, establish a rapid response mechanism to better meet the changing needs of customers.

2. Recognition:

The objective of a product that it is easily recognizable among other competitors. This is the first step in the marketing. Customer should recognize your product, should be aware of its features and clearly identifiable by the target group.

3. Relevance

Customer loyalty is changing. To improve customer loyalty and win a long-term and stable market, we must establish some kind of interest relationship with customers. From achieving sales to realizing responsibility and commitment to customers, in addition to requiring us to have professional marketing personnel, we also need to have professional teachers, and our core curriculum system can meet the expectations of parents. Only in this way can we realize our commitment to only when parents are responsible and committed to the students can they maintain the loyalty of the students to achieve a win-win situation.

4. Remuneration

Compensation is the motivation and source, and both the company and parents need to get rewards from it. Without rewards, there will be no repeat customers. Different products and services, different brands will bring different psychological satisfaction to consumers. For example, Mercedes-Benz and Hyundai, Huawei mobile phones and counterfeit mobile phones can all meet basic needs but provide different taste benefits. We need to understand customers, clearly know what they are looking for, and connect our brand with their most sought after taste as much as possible. For XYZ Art Education Company, the time strategy is that customers learn through participating in our courses, which is worthwhile, valuable and effective. For example, if you can see the growth and progress of students after studying for half a semester or one semester, then it saves time for customers and they get rewarded. If you don't see any progress after studying for two or three years, it will be difficult for parents to renew the application. Instead, it will feel like a waste of their precious time.

The company's existing customers and future customers are the source of profits for the company. Any company needs to create value for customers and continuously improve customer satisfaction. Cultivating loyal customers is the core task of the company. The cost of acquiring a new student is much higher than maintaining an old student. In addition to thinking about selling a product to a thousand customers, we also need to buy a product to a customer a thousand times. Because education services are different from other products, it is not like buying a

house that you can live in for a lifetime, or buying a car that you can drive for more than ten years, but more like eating. If you eat today, you will still feel hungry tomorrow, and you need to constantly enrich yourself. The entire primary and secondary school stage takes a long time to study, and students will need corresponding services at different stages, which gives us the prerequisite for establishing long-term cooperative relationships with customers. At the same time, only by serving old customers well can we build a good reputation and attract more new customers. For us, while focusing on the growth of sales performance, we must also deeply understand the meaning of "marketing" and "brand". In the early stage of marketing, it is not necessary to blindly establish and improve the marketing system. It is necessary to build from the key marketing aspects that best meet the positioning and goals, establish and complete the marketing operation system in stages, improve the quality of education and training courses, and enhance customer loyalty. Through the above marketing strategy analysis, XYZ art education company not only needs to use 4P marketing strategy, but also should choose and combine with 4R marketing strategy, enhance brand value by understanding the best customers, and establish a closer relationship with our parents, friends and students. Only by actively responding to the needs of customers, while meeting the changing needs of customers, and achieving a win-win effect between the company and the students as much as possible, can the company gain a competitive advantage.

Section 3

Management and Operation Plan

3.1 Management plan

3.1.3 Human Resource Management

1. Recruitment system

The company's recruitment should uphold the principles of openness, fairness, and fairness, establish a scientific recruitment system, and formulate and implement corresponding recruitment plans based on the company's relevant strategic planning, forecasting and analyzing the talent demand and supply of various departments. The education industry is different from other industries. It contacts and communicates with students all the time. Children in their school years need correct guidance and cultivate their correct values. Active exploration and continuous innovation are required in the teaching process. Therefore, our company has the following requirements for new employees: First, they must respect the company's core values and be willing to fight for the company's vision and mission; second, they must have good teacher ethics and a strong sense of responsibility, and be able to provide positive guidance for children ; Once again, you must have a strong learning ability and a certain degree of innovation ability in order to face the complex and changeable competitive environment; finally, you must have a sense of ownership, be able to stand with the company, and discover problems, think about them, and solve them from a high-level perspective. Problems can promote the development of the company and individuals.

We believe that employees who meet the above four requirements are worthy of the company's training. In the early stage, new employees only need to have the most basic industry working ability, and the company is willing to grow together with them. The starting point and position so that their talents can be displayed. XYZ Art Education Company mainly adopts the following channels for recruitment:

(1) Online recruitment

Recruit through professional talent recruitment portals, such as 58.com, Boss direct employment, 51job, local recruitment websites, etc. This method is low in cost, wide in application, and covers a large area, but there are many invalid resumes and relatively targeted Difference. The company's official website and official account will also be recruiting at the same time. In the early stage, the company's network platform has a small number of clicks and a small coverage, which is more important for image promotion.

(2) Campus Recruiting.

Go to the corresponding normal colleges or management colleges to recruit, participate in campus job fairs and lectures, and recruit some fresh graduates. Fresh graduates have certain innovation ability and learning ability, but the stability is generally weaker.

(3) social recruitment

Mainly to participate in city job fairs and community job fairs. Be able to communicate in a timely manner, facilitate interviews, and be able to recruit some middle-level and grass-roots personnel.

(4) internal recruitment

Labor-to-manufacturing, including recommendations from employees and friends, is less costly and generally more stable. We will give corresponding rewards to each employee who recommends talents, but there is a risk of forming cliques. The second is internal competition, which helps to promote the flow of internal talents and promote the cultivation and development of talents.

2. Training system

The teacher team is the future and hope of the school. The rapid growth and progress of teachers plays a vital role in the future of the school and is the key to the sustainable development of the school. A sound training system is an important

guarantee for improving the overall quality of employees, improving their business capabilities, building an excellent team, and enhancing the core capabilities of the company. The training management of XYZ Art Education Company must follow the principles of pertinence, effectiveness, planning, and strategy, keep records of each training, evaluate and track the training effect, and ensure whether the training has played its due role. The training of XYZ Art Education Company is mainly divided into two categories: internal training and external training.

(1) internal training

The training carried out by the school itself is to let new employees become familiar with the company's rules and regulations as soon as possible, and master the working procedures and working methods. Internal lecturers are generally served by personnel from the department or experienced personnel. The principal is responsible for assisting the department heads to formulate and implement training plans to ensure the quality of internal training. The new employee training mainly includes company profile, employee rules, financial system, personnel system, promotion channel, safety knowledge, etc. It is intended to help new employees fully understand the company's environment, identify with and integrate into the corporate culture. Mentoring apprentices is the most effective means of passing on knowledge, skills and experience. For new employees, we will also adopt the method of apprenticeship and pairing to learn the teaching skills, teaching methods and teaching ideas of old teachers, so as to improve the teaching level of new teachers. , Form your own teaching style, and constantly surpass and innovate. Departmental training will further train the professional abilities of personnel in different positions, so that employees can continuously learn some new concepts, new knowledge, new methods, etc., improve the work efficiency of various departments, and improve the teaching and service level of the school.

(2) external training

External training will go to specialized education and training institutions to participate in training courses, outdoor development, lectures, etc. according to the company's situation. The training content is not limited to teaching skills, but also

includes management, psychology and other aspects. Through external training, employees and The knowledge and knowledge of the management can enhance the company's team cohesion, business ability and management ability.

3. Salary system and incentive system

The salary system of XYZ Art Education Company should respect the law of talent growth and fully reflect the professional, practical and long-term characteristics of teachers' work. Put teacher's morality first, pay attention to the actual performance and contribution of teachers in fulfilling their duties, and improve the enthusiasm of employees through corresponding punishment and reward measures. Establish a fair salary performance system that attracts talents, retains talents, and fully motivates employees.

Salary structure: basic salary + five insurances and one housing fund + post salary + seniority allowance + marketing commission + monthly performance salary + full attendance award + holiday benefits + year-end bonus. The basic salary and class hour commission ratio of formal teaching staff will be determined according to the results of the star rating every six months.

Teacher's star rating: mainly based on their work ability, work experience, student recovery rate, completed output value, etc. for comprehensive assessment, from one star to six star, basic salary 1800-3500 Yuan/month, class fee commission The proportion is 20%-28%, and the initial star rating of new recruits is between one star and four stars.

Marketing personnel will determine their basic salary and commission ratio according to the number of people they serve, quality and sales performance. The basic salary is 2,000-3,500 Yuan/month, and the commission ratio is 6%-12%.

Seniority salary: plus 100 Yuan for each additional year of seniority. (up to 500 Yuan)

Holiday benefits: traditional holiday schools provide corresponding benefits, such as Teacher's Day, Mid-Autumn Festival, Dragon Boat Festival, Women's Day, Spring Festival, etc.

Performance salary: the school's performance assessment of faculty and staff is generally assessed from four aspects: morality, ability, diligence, and performance. , class management, caring for students, student safety education, student transformation, student evaluation, communication with parents, lesson preparation, etc. The total score assessment is 100 points, see Table 3-1 for details.

Table 3-1 Performance Salary Appraisal Form

Actual value of performance salary = benchmark value of performance salary × performance appraisal coefficient

Attendance	Teaching service	Teaching process	Workload	Teaching performance	Total score
10 points	20 points	20 points	20 points	30 points	

out of 10

Promotion channels: Grass-roots key staff-supervisor assistant-supervisor-principal assistant-executive principal-director-general manager-partner. In the promotion channel, the school did not set the positions of director and general manager in the early stage. Senior positions are planned for the company's mid-to-late development. Secondly, promotion is not necessarily a step-by-step promotion. Those with outstanding abilities can be promoted across levels.

Equity incentives: Salary is a short-term incentive. Training companies need a long-term incentive mechanism for middle and high-level management talents to be attractive. Therefore, XYZ Art Education Company will establish an equity incentive system. The equity incentive system can mobilize the enthusiasm of employees to the greatest extent, and make employees realize that their own interests are in line with the company's development goals.

If the standards are consistent, employees will have a sense of identity with the company, which is conducive to the stability of the company and attracts more

talents. The school will provide bonus shares for core staff and middle managers, for executive principals and above positions

Employees will provide a model of option shares + real shares.

In addition to salary, provide employees with spiritual communication, language incentives, honor incentives, pay attention to non-salary incentives, have equal dialogue with employees, interact and communicate, pay attention to employees, and let employees understand the company's operations and development strategic planning.

3.1.2 Course Management

Through the subdivision of the enrollment targets in the primary and secondary school extracurricular tutoring market, students are provided with targeted and personalized tutoring programs for cultural courses and art courses, and can enjoy high-quality courses and meticulous service experience at a moderate price. The current curriculum is as follows:

1. Boutique sparring class

The sparring courses we offer have a variety of teaching and management modes, including multimedia teaching, dual-teacher teaching, scenario interpretation, classroom activities, interesting knowledge contests and other rich content to improve students' learning interest, and formulate long-term training plans for children according to their own conditions. study program. The training subject is mainly piano, because piano is the choice of most parents. Children who learn piano from an early age and receive good music education will not only enable them to improve their musical literacy and artistic accomplishment, but also have great significance in cultivating a rigorous and down-to-earth learning attitude and a conscious and hard-working learning ability. At the same time, it also has a subtle influence on the formation of a person's cultural accomplishment, morality, sentiment and character. It is based on people's better physical and mental development, and it is also a tool for communication. Learning the latest music concepts in the world can enhance

personal horizons, and it can be used to connect China and the world, promote cultural dissemination, and better cooperation and exchanges.

But piano practice is a long-lasting and boring process. The focus of our course is to let students follow the software, and they can complete it easily and happily with or without the company of parents, and the software will give clear practice guidance, error correction reasons, Correct the beat, record the duration of the practice, give a score for the results of the whole piece of music practice, and record the whole piece of music, which is convenient for parents to check in, share and other psychological demands.

2. Advanced Level Up Course

XYZ has achieved a breakthrough in AI technology and solved the problem of accurate recognition of music scores with difficulty levels above 10. Piano master Lang Lang tested Xiaoyezi's intelligent sparring with Chopin etudes with a difficulty level of 10. And highly recognized the advancement and accuracy of the software.

In the process of piano practice, the following difficulties are generally encountered:

(1)Hand shape problem: Many piano teachers will repeatedly emphasize the hand shape problem when educating students, telling children that if they want to learn piano well, correct hand shape is very important. In fact, after everyone's piano level reaches a certain height, there is no need to stick to the shape of the hand, just like Mr. Jin Yong's description of swordsmanship, the state of winning without moves. The most important thing is that it is impossible to have a constant hand shape, and the hand shape will change with the sound shape.

(2) Hand shape tips: Although the hand shape is not constant, its core will not be different. First of all, when playing the piano, you should use your fingertips more to play the piano, and learn to use your fingertips to support the weight of your arms. Secondly, if you are playing the piano with your fingertips, pay attention to relax your palm as much as possible, and use the most natural hand shape to play the

piano. The wrist needs to be flat when playing, which will help the force of your arm to be transferred to the fingertips under the action of gravity.

(3) Wrist and palm: When playing the piano, the position of the wrist should not be too high, because the position of the wrist is too high, which will affect the mobility of the fingers. The position of the palm on the keyboard needs to be positive. In short, the place where the finger touches the key should be perpendicular to or close to the vertical position of the key surface.

(4) Error correction method: If you always make mistakes when practicing the piano, and you cannot break through the bottleneck when you encounter difficulties, then you need to find a professional teacher to answer your questions. For example, for the octave problem, you only need to make sure that the octave is used more in that piece of music, which will be much more useful than practicing these difficult points in the piece.

To sum up, the improvement course focuses on improving students' piano skills and achievements, and focuses on breaking through the piano grade examination. Online, offline and other methods of teaching are focused on candidates who have a piano foundation but want to break through the grade certification.

In the later period, according to the market demand, it is planned to open more quality courses, such as violin, cello, accordion, guzheng and other related courses for different types of musical instruments.

3. Family Education Class

Family education and school education complement each other, and family education is mainly to cultivate the interaction between parents and students. Cultivating excellent children is not enough to work hard on the children. The family education class of XYZ Art Education hopes that parents will change some concepts, be role models for their children, be able to accurately grasp the psychological characteristics of children, effectively guide children, handle parent-child relationships well, establish a good family environment, and establish a correct attitude for children. Values. While children are growing up, parents also need to learn how to be good

parents. The vast majority of parents in China mistake the direction of love for love, such as wearing the best, using the best, and doing everything for their children. In addition, in the current society, divorced families, combined families, and intergenerational education for left-behind children are also common. If education is not appropriate, such family environments are most likely to cause harm to children's physical and mental health, which in turn will affect children's learning. Good family education is a necessary condition for children to become talents. Handle what things to help children do, what things to teach children to do, what things to accompany children to do, and what things to let children do. Our family education is mainly carried out in the following ways:

- (1) Family education concepts, methods and methods are shared with parents in the form of text + pictures, which is convenient for parents to read.
- (2) Share videos of famous family education lectures.
- (3) Family Education Wechat Voice Live Classes.
- (4) Offline family education experience exchange meeting. As an auxiliary classroom in children's education and teaching, the family education class is carried out free of charge to increase the participation of parents and friends, improve the closeness of home and school, and establish a trust relationship between each other.

4. Online Micro Classroom

Online micro-classroom is a powerful supplement and extension of offline classroom, which can break the constraints of time and space. There are a variety of teaching modes, some of which are mainly recorded and broadcast. Tencent Live Classes, DingTalk Classes, Douyin Live Classes, etc. in the live class plan. Students only need to use mobile terminals such as mobile phones and tablets to study. Mainly to establish a brand image, invite well-known music instructors to be guests in the live broadcast room, to endorse the brand, and invite students who have successfully achieved educational results through teaching to share their learning experience. Improve product recognition and echo stickiness.

3.2 Operation plan

3.2.1 Business objectives

The company's annual business objectives mainly include attracting high-quality students, pursuing product quality, maintaining a leading position in the industry, and sustaining profit growth.

(1) In terms of attracting high-quality students, a total of 20,000 students need to be recruited in a single month (nationally)

(2) In the pursuit of product quality, focus on research and development of 5 high-quality courses, and optimize 10+ existing courses;

(3) In terms of maintaining the leading position, enhance and consolidate the leading position in piano accompanying education, and lead the industry's ecological activities for 1-2 times;

(4) In terms of continuous profit growth, we have achieved continuous profit growth, with each quarter achieving a 1% increase in profit compared to the previous year.

3.2.2 Business Strategy

The company will adopt three business strategies in the piano accompanying education industry, which are to expand type, robust type, and contraction type. Through the organic combination of the three business strategies, the enterprise Continued increase in overall profits.

(1) Expanded business strategy

For the courses and services with potential for development in the field of piano training, we will adopt active market penetration strategies, diversified business strategies, and joint business strategies.

(2) Steady business strategy

Aiming at the courses and services that the company operates in the field of piano accompaniment, which is not in a good mood, it adopts a strategy of preserving its strength and effectively controlling business risks.

(3) shrinking business strategy

Courses and services aimed at the company's weak market in the field of piano accompaniment and entering a recession. Business, transfer strategy, retreat strategy, liquidation strategy.

3.2.3 Promotion strategy

The company's promotion strategy in the music education and training industry includes carrier first, brand establishment, word of mouth assistance, traffic drive, and content deep cultivation. Mainly through music education and other platforms as the carrier to achieve brand effect, through the user's word-of-mouth as an auxiliary, to realize the continuous introduction of traffic, deepen the cultivation of content, and implement the promotion strategy.

3.2.4 Operation Guarantee Strategy

(1) Operation Guarantee 1: Quality Supervision

(2) Operation Guarantee 2: Incentive System

(3) Operation Guarantee 3: Resource Supply

The music education and training industry mainly provides infrastructure guarantee through continuous resource supply, realizes talent promotion and continuous and efficient investment through incentive system, and realizes high-quality and high-level products and services through quality supervision

Session 4

Financial Forecast

This chapter will make a reasonable forecast of the financial data of XYZ Art Education Company in the next five years, and make a series of presets for the company's basic data. Estimate and predict the basic reports such as income, cost and profit during the annual development of XYZ Art Education Company, and then analyze and evaluate the feasibility of project investment. This prediction is based on the smooth operation of XYZ Art Education Company as planned, and there are no uncontrollable factors that lead to the sudden purpose of the project. In addition, for educational consulting companies, the tax rate after the VAT reform is 6%, and the tax rate for small-scale taxpayers is 3%. Corporate income tax is calculated at 25%.

4.1 Financial Statements

4.1.1 Benefit and cost analysis

1. Initial Gold Usage Analysis

In order to ensure the normal operation of XYZ Art Education Company in the initial stage of its establishment, the founder team will self-raise and invest 1 million Yuan as the project start-up capital in the first year.

The fixed assets of this project are depreciated using the straight-line method, and there is no residual value. The depreciation period is 3 years, and the decoration expenses are amortized within 3 years. For each new campus, a housing deposit of RMB 30,000 will be added.

2. Project benefit analysis

Based on years of experience in K12 teaching and training, combined with the charging situation of education and training institutions in this city, the school formulates a reasonable course fee standard. The main training time of the K12

education and training industry is concentrated on Saturdays, Sundays, and winter and summer vacations, and secondly, primary school students will attend evening tutoring classes after school in the afternoon.

Revenue Analysis by Business Type:

The income of XYZ Art Education Company mainly comes from three sectors: evening tutoring, quality courses, and cultural courses. Next, we make predictions based on the situation of teachers and the capacity of classrooms. The situation is as follows:

(1) Evening tutoring class income

Our school's location next to the primary school has a certain geographical advantage. The evening tutoring class is a rigid-needed product for primary school students. However, the surrounding mid-to-high-end real estate is relatively concentrated and the population is large. The evening tutoring class has certain advantages. Market size. The main content of the evening tutoring class is homework guidance, consolidating the foundation, making up for gaps, and cultivating good habits. At the same time, in the spirit of reducing the burden on parents, serving students, and promoting the brand, the company also provides services such as pick-up and dinner. It is planned to enroll 40 students in the elementary school stage in the early stage. Each student is calculated at 600 yuan per month, and the year is calculated at 8 months. The gross income is $40 \times 600 \times 8 = 192,000$ Yuan. Quality course benefits

The quality courses currently offer calligraphy and art classes. In the early stage, they are mainly aimed at primary school students, mainly in classes of 12 people, and the prices are relatively lower. With an average price of 4800 Yuan per person per year, there are 4 classes in calligraphy and fine arts, and the gross income is $12 \times 4 \times 4800 = 230,400$ Yuan.

Cultural courses are divided into three sections: elementary school, junior high school, and high school according to grades, and three subjects: language,

mathematics, and foreign languages. Calculated on the basis of 50 lessons per year including spring, summer, autumn and winter. (unit: Yuan)

Total income: $192000+230400+2378000\approx 2.8$ million Yuan, because the company is not well-known in the first year and the parents' recognition is low, so we must invest in a lot of publicity in the early stage to increase the exposure of the school, and open some recruitment courses and experience courses, Preferential price courses, these courses will not bring any actual benefits, need to do a good job in service and course experience and rely on parents to renew fees later, in order to obtain real benefits and good word-of-mouth communication. The number of courses in the first year will not reach saturation. According to our evaluation, it is predicted that it can reach 50% saturation, so the income in the first year can reach half of the ideal state. According to the company's development strategy, in the second year, we will add a new branch in this urban area, and in the third year, we will expand to another urban area and open two new campuses. In the third year, the company will have at least 4 companies without introducing angel investment. Then, according to the development model of the first campus, the enrollment of the first school will reach 80% in the second year, and the newly opened school will also conservatively estimate that the enrollment will reach 50%. Through the establishment of brand awareness and teaching achievements, the enrollment of the first school will reach 100% in the third year, 80% in the second school, 50% in the two schools opened, and 50% in the fourth year. If there are four new schools opened in the fifth year,

3. Cost forecast

Costs mainly include school rent, decoration costs, facilities and equipment costs, staff salaries, management costs, marketing costs, research and development costs, etc.

(1) staff salary

According to the company's salary system, the salary of employees includes basic salary, performance salary, class fee, welfare treatment, marketing commission, etc. The teacher's class fee commission will be correspondingly commissioned

according to the teacher's performance. The average class hour commission ratio accounts for about 24% of the total income. Other wages, benefits, bonuses, etc. total about 4,000 yuan per month per capita, and the average comprehensive income of employees is 100,000 yuan. about. In the first year, due to the relatively small income, the salary expenditure of employees has not decreased much. It is predicted that the total salary expenditure of employees in the first year will account for about 46% of the total income. In the second and third years, due to the continuous expansion of the company's scale, the income will increase significantly. Increase, the total wage expenditure of employees accounts for about 40% of the total income. With the later development of the company, it is expected that the proportion of total wage expenditure of employees will gradually decrease to about 35% of the total income. As shown in Table 4-2, according to the school plan, a campus will be equipped with about 10 employees in the early stage, and the management personnel will also participate in teaching and teaching activities. When the company develops to a certain scale, the management personnel, teacher team, marketing team, etc. will carry out a clear division of labor , a third-tier and fourth-tier urban area will be equipped with an executive principal to manage the two teaching sites, unify and integrate the resource allocation of teachers and marketing teams at the two teaching sites, effectively allocate and make full use of human resources, avoid excessive redundancy, and strive to eliminate human resources Waste in use, reduce costs and improve work efficiency. School rent and renovation costs, etc.

Table 4-1 Forecast of the number of employees in the next five years

	2023	2024	2025	2026	2025
Number of campuses	1	2	4	7	11
Number of employees	11	Twenty one	34	58	90
Per campus	11	10.5	8.5	8.3	8.2
Per capita					

According to the initial fund use schedule above, the first school covers

an area of 450 square meters, and the rent is about 160,000 per year. The area of the newly opened campus will also be between 300 and 500 square meters to ensure that the classrooms are fully utilized. The investment in fixed assets such as decoration costs and facilities and equipment costs will be depreciated in three years according to the straight-line method, and the residual value will be zero.

(2) Management costs

Management expenses mainly include consulting fees, business entertainment expenses, office expenses, travel expenses, water, electricity and broadband fees, training fees, post salaries of management personnel, bonuses and welfare expenses, etc.

(3) Marketing costs

Marketing expenses mainly include advertising material production costs, enrollment publicity fees, etc. The newly opened campuses will have a budget of 50,000 Yuan per year for each campus. After the school's popularity increases and there is a stable student source, it will gradually be reduced according to the school's situation.

With the development of the company's scale, the related expenses of the number of teachers will also continue to rise. The five-year cost forecast is detailed in Table 4-3, Table 4-4, Table 4-5, Table 4-6, and Table 4-7.

Table 4-3 First Year Cost Forecast

Project	The amount	Remark
Rent	162000	450m ² ×30 yuan/m ² /month×12 months
Furnish	210000	450m ² ×400 yuan/m ² +30000 (Secondary consumption)
Facilities and equipment	and70000	Desks and chairs, projectors, computers, monitors, air conditioners, printers, etc.
Employee salary	643000	140×0.22+0.3×11×12≈643,000

Miscellaneous	80000	Consulting fees, business entertainment expenses, office expenses, travel expenses, utilities Fees, training fees, etc.
Marketing fee	50000	
R & d costs	20000	Gradually build up the curriculum system
Management fee	60000	Management fees
Total	1315000	

Table 4-4 Cost forecast for the second year

Project	The amount	Remark
Rent	288000	$(450\text{m}^2+350\text{m}^2)\times 30 \text{ Yuan/m}^2/\text{month}\times 12$ months
Furnish	170000	$350\text{m}^2\times 400 \text{ Yuan/m}^2+30000$ (Secondary consumption)
Facilities and equipment	60000	Desks and chairs, projectors, computers, monitors, air conditioners, printers, etc.
Employee salary	1445000	$3.64 \text{ million}\times 0.22+0.33 \text{ million}\times 21\times 12\approx 1.64$ million
Miscellaneous	120000	usiness entertainment expenses, office expenses, travel expenses, water and electricity broadband fees, training fees, etc.
Marketing fee	50000	and Campus B are in the same urban area, and already have a certain reputation, so the marketing expenses have not changed much
R & D costs	40000	Gradually improve cultural courses
Management fee	120000	management fees
Total	2293000	

Table 4-5 Cost forecast for the third year

Project	The amount	Remark
Rent	540000	$(450\text{m}^2+350\text{m}^2+700\text{m}^2)\times 30 \text{ yuan/m}^2/\text{month}\times 12$ months
Furnish	340000	$700\text{m}^2\times 400 \text{ yuan/m}^2+60000$ (Secondary consumption)
Facilities and equipment	and100000	Desks and chairs, projectors, computers, monitors, air conditioners, printers, etc.
Employee salary	3065000	$7.84 \text{ million}\times 0.22+0.33 \text{ million}\times 34\times 12\approx 3.065 \text{ million}$
Miscellaneous	220000	business entertainment expenses, office expenses, travel expenses, water and electricity broadband fees, training fees, etc.
Marketing fee	120000	A and B campuses total 30,000, C and D campuses total 90,000
R & D costs	100000	Further improve existing courses and explore new quality courses
Management fee	240000	management fees
Total	4725000	

Table 4-6 Cost forecast for the fourth year

Project	The amount	Remark
Rent	964000	$(350\text{m}^2+700\text{m}^2+1050\text{m}^2)\times 30$ $\text{Yuan/m}^2/\text{month}\times 12 \text{ months}\times (1+5\%)$
Furnish	620000	$1050\text{m}^2\times 500 \text{ Yuan/m}^2+90000$ (Secondary consumption)
Facilities and equipment	150000	Desks and chairs, projectors, computers, monitors, air conditioners, printers, etc.
Employee salary	6114000	$14.28 \text{ million}\times 0.24+0.38 \text{ million}\times 58\times 12\approx 6.114 \text{ million}$
Miscellaneous	480000	business entertainment expenses, office expenses, travel expenses, water and electricity broadband fees, training fees, etc.
Marketing fee	250000	

R & D costs	400000	Improve the curriculum system, develop new quality courses, and explore online courses
Management fee	360000	management fees
Total	9338000	

Table 4-7 Cost forecast for the fifth year

Project	The amount	Remark
Rent	1422000	$3950 \times 30 \text{ yuan/m}^2/\text{month} \times 12 \times (1+5\%)$
Furnish	820000	$1400\text{m}^2 \times 500 \text{ yuan/m}^2 + 120000$ (Secondary consumption)
Facilities and equipment	200000	Desks and chairs, projectors, computers, monitors, air conditioners, printers, etc.
Employee salary	9720000	$23.52 \text{ million} \times 0.24 + 0.38 \text{ million} \times 90 \times 12 \approx 9.72 \text{ million}$
Miscellaneous	480000	Consulting fees, business entertainment expenses, office expenses, travel expenses, utilities Fees, training fees, etc.
Marketing fee	450000	
R & D costs	800000	Increase research and development of online courses
Management fee	520000	management fees
total	14412000	

4.1.2 Income statement

Table 4-8 Five-year profit forecast table

Compilation unit: XYZ Art Culture and Art Training School Unit: Yuan

Project	2023	2024	2025	2026	2027
I. Operating income	1400000	3640000	7840000	14280000	23520000
Less: operating costs	673000	1485000	3165000	6514000	10520000
Business tax and surcharges	5040	13104	56448	102816	169344
Sales expense	58000	50000	120000	250000	450000
Management costs	352276	697033	1315700	2284000	3165333
Financial expenses					
2. Operating profit	311693	1394863	3182852	5129148	9215323
Add: non-operating income					
3. Total profit	311693	1394863	3182852	5129148	9215323
Deduct: income tax expense	15585	80538	795713	1282296	2303831
4. Net profit	296109	1314325	2387139	3846888	6911492

4.1.3 Balance Sheet

Table 4-9 Five-Year Assets and Liabilities Forecast

Compilation unit: XYZ Art Culture Art Training School

Assets	2023	2024	2025	2026	2026
Current assets:					
Money funds	1081375	2304734	4507573	8181127	14489286
Accounts receivable	0	0	0	0	0
Prepayments	0	0	0	0	0
Other receivables	30000	60000	120000	210000	330000
Stock	0				

Total current assets	1111375	2364734	4627573	8391127	14819286
Non-current assets:	0				
Fixed assets	67100	127100	227100	377100	577100
Less: accumulated depreciation	22367	64733	140433	243767	393767
Net value of fixed assets	44733	62367	86667	133333	183333
Long-term prepaid expenses	140000	183333	283333	320000	753333
Total non-current assets	184733	245700	370000	453333	936667
Total assets	1296109	2610434	4997573	8844461	15755953
Liabilities and owner's equity (or shareholders' equity)					
Current liabilities:					
Accounts payable	0	0	0	0	0
Advance payment	0	0	0	0	0
Total current liabilities	0	0	0	0	0
Non-current liabilities:					
Long term loan	0	0	0	0	0
Long-term payables	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0
Total liabilities	0	0	0	0	0
Owner's equity (or shareholder's equity):					

4.2 Cash flow

We forecast the future cash flow statement of XYZ Art Education Company, as shown in Table 4-10.

Table 4-10 Five-Year Cash Flow Forecast

Compilation unit: XYZ Art Culture Art Training School

Project	2023	2024	2025	2026	2027
1. cash flow from operating activities					
Cash received from sales of goods and rendering of services	163800	4258800	9172800	16707600	27518400
Tax refund	0	0	0	0	0
Other cash received related to operating activities	-87080	-474333	-995800	-1586907	-2919733
Cash inflow subtotal	1550920	3784467	8177000	15120693	24598667
Cash paid for goods purchased and services received	787410	1737450	3703050	7621380	12308400
Cash payments to and for employees	0	0	0	0	0
Taxes paid	17555	120084	913463	1399376	2523831
Other cash paid related to operating activities	387480	703575	1357648	2426383	3458277
Cash outflow subtotal	1192445	2561108	5974161	11447139	18290508
Net cash flow from operating activities	358475	1223358	2202839	3673555	6308159
2. cash flow from investing activities					
Cash receipts recovered from investments					

Table 4-10 Five-Year Cash Flow Forecast (continued)

Compilation unit: XYZ Art Culture Art Training School

Project	2023	2024	2025	2026	2027
4. net increase in cash and cash equivalents	358475	1223358	2202839	3673555	6308159
Add: opening cash balance		1081375	2304734	4507573	8181127
V. Closing cash balance	1081375	2304734	4507573	8181127	14489286

4.3.1 Analysis of ROI, NPV, IRR, Payback Period.

The return on net assets is the percentage ratio obtained by dividing the company's after-tax profit by its net assets, which is used to measure the efficiency of the company's use of its own capital. The higher the indicator value, the higher the return on investment. This indicator reflects the ability of self-owned capital to obtain net income. Using the return on equity to analyze the profitability of XYZ Art Education Company can be used as an important financial indicator to measure the efficiency of shareholder funds, as shown in

Table 4-11. Net Cash flow projection 5 year of XYZ Art Education Company

(Yuan)	2023	2024	2025	2026	2027
Net Cash Flow PV discount rate 10%	296,109	1,314,325	2,387,139	3,846,888	6,911,492
Cumulative net cash flow (PV)	296,109	1,610,434	3,997,573	7,844,461	14,755,953

From table 4 -11

The initial investment 7,000,000 Yuan

1. Return on Investment (ROI) average per year.

$$\text{ROI} = 14,755,953 / 5 = 2,951,190.6 \text{ Yuan per year}$$

$$\text{ROI} = (2,951,190.6 / 7,000,000) \times 100 = 42.15 \%$$

2. Net Present Value = NPV

$$\text{NPV} = 14,755,953 - 7,000,000 = 7,755,953 \text{ Yuan}$$

3. Internal Rate Return =IRR

$$\text{At NPV} = 0$$

$$\text{IRR} = 28.34 \%$$

4. Break Even Point or Pay Back Period

Pay Back Period on 4 years and 5 months.

4.4 Interview results

XYZ Art Education Company as the starting point, takes the business plan as the framework, and uses relevant theories and technical methods such as strategic

management, marketing management, risk management, and human resource management learned at the postgraduate stage to analyze and study.

Facing the increasingly fierce competition in the off-campus education and training industry, the widespread application of new Internet technologies in the education and training industry, and the continuous heating up of the country's reform of the education and training industry, the main problem that XYZ Art Education Company needs to solve is how to use its own advantages and disadvantages. Optimize the company's products, services, marketing, and management operations to adapt to the current situation and ensure the company's continued profitability and further development.

Through this report, the author can analyze and study the

Section 5

Conclusions and Recommendations

The business plan of XYZ Art Education Company combines the development of the K12 education and training industry with the company's own situation to analyze the feasibility of the project by using a lot of knowledge learned during the postgraduate study, focusing on the company's development strategy and marketing strategy And human resources planning, and then the financial status of the company's business development in the next five years is evaluated, and finally some risks that the company may face in the development process are predicted and related risk countermeasures are formulated. We believe that the K12 education and training industry has broad market prospects. XYZ art education company needs to base in third- and fourth-tier cities, combine culture and art training, and use Internet science and technology to integrate online education with offline education to create Only by developing our own characteristic products, establishing a good quality, establishing a good reputation, operating with integrity, and providing students with professional, personalized, and cost-effective extracurricular training products and services to meet the needs of students to improve their overall quality, can we finally achieve the establishment of excellent education The goal of the chain brand. The risk of the project is generally controllable, has good economic value and social benefits, and can achieve scale expansion and development.

In addition, there are many unpredictable situations in the process of starting a business, and there are more problems that we need to face. We need to maintain a positive attitude, a humble attitude, a grateful attitude, a responsible attitude, and a happy attitude to continue exploring, do a good job in education and training, serve the majority of students, and realize their own educational ideals. In view of the limitations of our experience and experience, this business plan still has many deficiencies. It must be continuously revised and improved in the later practice

process, so that it will be more convincing and practical, and the business plan can be fully utilized.

Appendix

Questionnaire on Extracurricular Tutoring for Primary and Secondary School Students

<p>Hello dear friend! We are graduate students from Southeast Asian universities, and young entrepreneurs who love the education industry. We are now conducting market research on our entrepreneurial activities. This questionnaire can be completed in 2-3 minutes, thank you for your active participation in our survey! This questionnaire is only used for statistical purposes, and personal information is kept strictly confidential.</p>
<p>1. How old are the parents of the child?</p> <p><input type="checkbox"/>Post-60s <input type="checkbox"/>Post-70s <input type="checkbox"/>Post-80s <input type="checkbox"/>Post-90s</p>
<p>2. Who in the family is mainly responsible for managing the children's studies?</p> <p><input type="checkbox"/>Mom <input type="checkbox"/>Dad <input type="checkbox"/>Grandpa and grandma <input type="checkbox"/> are all participating</p>
<p>3. At what stage did the child start to participate in extracurricular training (cultural class or art class)?</p> <p><input type="checkbox"/>Early childhood stage <input type="checkbox"/>Elementary school stage <input type="checkbox"/>Junior high school stage <input type="checkbox"/>High school stage</p>
<p>4. What is the highest educational level of the child's parents?</p> <p><input type="checkbox"/>College degree or below <input type="checkbox"/>College degree <input type="checkbox"/>Bachelor degree <input type="checkbox"/>Master's degree <input type="checkbox"/>Ph.D.</p>
<p>5. Are you willing to let your children participate in extracurricular tutoring classes?</p> <p><input type="checkbox"/>Willing <input type="checkbox"/>Not willing <input type="checkbox"/>Not currently willing to consider later</p>
<p>6. What is the out-of-school training that your family pays for their children every six months?</p> <p><input type="checkbox"/>Below 2K <input type="checkbox"/>2-4K <input type="checkbox"/>4-6K <input type="checkbox"/>6-8K <input type="checkbox"/>8K-1W <input type="checkbox"/>1W-1.2W</p> <p><input type="checkbox"/>1.2W-1.4W <input type="checkbox"/>1.4W or more</p>
<p>7. Which of the following extracurricular training programs will you let your children participate in? (multiple choice)</p> <p><input type="checkbox"/>Quality classes (calligraphy, art, musical instruments, dance, etc.) <input type="checkbox"/>English training <input type="checkbox"/>Mathematics training Chinese training theory <input type="checkbox"/><input type="checkbox"/></p> <p>Chemical and biological training Politics, history and geography training Study tour Children's enlightenment training</p> <p>Other training <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/></p>
<p>8. What is your attitude towards education and training advertisements?</p>

<input type="checkbox"/> Positive concern <input type="checkbox"/> Active development <input type="checkbox"/> Neutral <input type="checkbox"/> Passive tolerance <input type="checkbox"/> Passive aversion
<p>9. What is your most trusted news channel for extracurricular tutoring? (multiple choice 1-2 items)</p> <input type="checkbox"/> Acquaintance recommendation <input type="checkbox"/> Social network (WeChat, QQ, etc.) <input type="checkbox"/> Short video media (Douyin, Kuaishou, etc.) <input type="checkbox"/> Search engines (Baidu, Sogou, etc.) <input type="checkbox"/> Advertising leaflets (including community and shopping mall advertisements) <input type="checkbox"/> TV advertisements
<p>10. What educational advertising content are you interested in? (multiple choice 1-3 items)</p> <input type="checkbox"/> Famous teachers <input type="checkbox"/> Good training methods <input type="checkbox"/> This institution is the best in the same industry <input type="checkbox"/> Institutions are nearby <input type="checkbox"/> Responsible quickly <input type="checkbox"/> Cheap price <input type="checkbox"/> Sign up now to get a discount <input type="checkbox"/> Many people have signed up <input type="checkbox"/> Celebrity endorsement and other content
<p>11. How many classes do you like to enroll in?</p>
<p>12. What is your teaching style for the trainers?</p> <input type="checkbox"/> Gentle and elegant <input type="checkbox"/> Graceful and natural <input type="checkbox"/> Witty and innovative <input type="checkbox"/> Humorous and funny <input type="checkbox"/> Rigorous and meticulous
<p>13. What is your approach to extracurricular training?</p> <input type="checkbox"/> Go to a dedicated offline training venue <input type="checkbox"/> some at home, some at the training venue <input type="checkbox"/> Online class at home teacher to teach at home
<p>14. What is your preference for the frequency of extracurricular training?</p> <input type="checkbox"/> Once a day <input type="checkbox"/> Once or twice a week <input type="checkbox"/> Once a month <input type="checkbox"/> 8-16 times a month <input type="checkbox"/> Others
<p>15. How long has the child participated in extracurricular training?</p> <input type="checkbox"/> Did not participate <input type="checkbox"/> Within one month <input type="checkbox"/> 1-3 months <input type="checkbox"/> 3-6 months <input type="checkbox"/> 6-12 months <input type="checkbox"/> 1-3 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> More than 10 years
<p>16. How long did the child study in the same institution for the longest time before changing?</p> <input type="checkbox"/> Within 6 months <input type="checkbox"/> 6 months-1 year <input type="checkbox"/> 1-2 years <input type="checkbox"/> 2-4 years <input type="checkbox"/> 4-6 years <input type="checkbox"/> 6 years or more
<p>17. What is the reason why you enroll your child in cram school? (multiple choice)</p> <input type="checkbox"/> Everyone has signed up, and we have also signed up to improve the child's grades in the corresponding subjects. child is interested. <input type="checkbox"/> Improving children's thinking ability The society is fiercely competitive and has high requirements for students
<p>18. How satisfied are you with the training courses you have applied for so far?</p>

	Very dissatisfied	dissatisfied	generally Satisfy	very satisfied
School environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Classroom atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teaching service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teacher level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teaching material system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Learning result	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home school communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class time			<input type="checkbox"/>	

Within 3 people
3-5 people
5-10 people
10-20 people
20-50 people
One on one

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