

MindSteps Internet Business Plan

Rev 01

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COMPANY CONFIDENTIAL

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1. Business Opportunity

There is a large, proven market for job transition services (services aimed at people looking for a new job). Demand already exists and is addressed to various degrees by books, tapes, career coaches, career counselors and, to a lesser extent, by existing online job sites. The significant problem facing Internet job seekers today is determining how to utilize the available resources to find not just any job, but the right job for them. Job seekers today typically start at a search engine (like Infoseek), where a search on the term "job" nets them an overwhelming 3,829,910 matches leaving the job seeker to navigate this jungle of undifferentiated web sites.

MindSteps, with our extensive background in career assessment is in the unique position to solve this problem by becoming the starting point for all job seekers on the web. In this capacity, MindSteps will provide the tools, support and connections for job seekers to both know what is the right job for them and then to find it.

2. Target Market

The sweet spot of the Job Transition Services market is in the 25-35 year old, college educated job seeker. This group has had enough work experience to assess what they want and don't want in a job and are motivated not just by tangible factors like salary, but also by the work/life factors including quality of life, happiness and career path. With guidance, this group can pinpoint the factors that make a job the right job for them and learn to judge potential jobs by this criteria. Everyone in job transition feels a certain level of pain, but the 25-35 year old job seeker often has the added anxiety of feeling, for the first time, the pressure of outside expectations ("I have to figure out what I am going to be now that I am a grownup") and familial responsibilities as they get married and begin having children. All Internet usage surveys show that the 25-35 year old segment is extremely active on the Internet and feel comfortable using it as a tool making this an ideal target market for MindSteps' site.

3. Not the Target Market

Trying to be too many things to too many people can cause a business to fail all around. We have identified that our target market is primarily the 25-35 year old, college educated active job seeker and our secondary target market is the rest of the college educated active job seeker segment. There are a number of groups that look similar to these target markets that are specifically not our target market as their characteristics, needs and motivations differ enough from our primary and secondary target market that trying to capture these groups will defocus the project and risk our success. These groups are:

3.1 *Passive Job Seekers*

This group is not in transition and they are not feeling anxiety. It is impossible and defocusing to design a site to appeal to those in transition and feeling anxiety as well as those not and even more impossible to market to these two diverse groups. Many passive job seekers will move into either the primary or secondary target market with some personal trigger (job gets too bad to bear, family situation changes, etc.) and then we will capture them.

3.2 *College Students*

This group has many resources available to them including targeted college recruitment sites and campus run resources. They do not have the experience necessary to help them determine their own requirements for the "right job" as opposed to "a job" so any assistance the site gives them in this regard has little value to this group.

3.3 People Transitioning Out of the Job Market

This group, who is either leaving the job market all together or looking for non-commercial work, has such a different set of needs and characteristics from the primary and secondary target markets that they are too defocusing both to the site and to the marketing. In addition, this is a small market.

3.4 People Looking for help with Non-Job Transitions

This group has anxiety and motivation to change their lives but not specifically to do a job transition. Although they may be looking for help with work/like balance or 'happiness' factors, these people can quickly and detrimentally defocus the site and the marketing.

4. Market Size

There are currently 12 million 20-34 year old, college educated job holders¹. Of these, 5 million will change jobs every year². When extrapolated out to all college educated workers, there are 16 million in job transition each year. The workforce attitude on job transition has changed dramatically in the last twenty years. No longer do workers expect lifetime careers nor do they have the sense of company loyalty of a generation ago. According to a recent article in Smart Money magazine³ "Americans don't fear career change - they embrace it. They aren't sitting back and looking for the 'cradle to grave' jobs anymore...The trend we see among career changers is that they want more control over their future."

Many of these job seekers are taking control by conducting their job searches online. As a recent article in the Christian Science Monitor⁴ put it, "We've been telling people for the past seven or eight years that they're in charge of their career, but they had no resource; the Internet is that resource." An estimated 100,000 employment-related sites exist on the web today, posting more than 30 million jobs. These sites include corporate web sites as well as job boards. Forty five percent of Fortune 500 companies are actively using the web to recruit in 1999 up from just 17 percent in 1998. And online job seekers are not just computer geeks, some 65 percent of Internet job seekers today come from outside the high-tech industry.

With the lack of a starting point for their search, many online job seekers visit multiple job sites and post their resumes on multiple boards. Still, a look at the volume of traffic to job sites gives an idea of the popularity of job seeking online. The following chart, tabulated by Media Metrix⁵, shows the number of visitors to the top ten career sites in June, 1999.

Site	# of Visitors in June 1999
1. Monster.com	2,605,000
2. Careerpath.com	1,515,000
3. CareerMosaic.com	808,000
4. HeadHunter.net	777,000
5. JobSearch.org	697,000
6. HotJobs.com	669,000
7. Dice.com	356,000
8. CareerBuilder.com	353,000
9. Nationjob.com	340,000
10. Jobs.com	334,000

The job seeker market is an established and profitable market. Some job seekers are assisted by their former employers through the use of outplacement firms. The outplacement industry was a healthy \$1.3 billion industry in 1998. Job seekers themselves are willing to pay for help finding that right job. The best selling book in this field *What Color is Your Parachute* is selling 20,000 copies a month (garnering almost \$5 million a year in book sales alone) and has 6 million copies in print. Job Seekers regularly use career coaches who charge \$80-\$100/hour. And online job sites are making money also. TMP Worldwide,

parent company to Monster.com and Online Career Center "pulled in \$18.4 million from the Internet. In that time Yahoo did about \$71 million in revenue and that's from a host of different categories. [TMP] did it in just one category."⁶

In addition to direct revenue, the online job sites are an attractive investment market. Four of the ten sites listed above are public companies (5 are privately held and 1 is government sponsored).

5. Revenue Model

The successful job sites have a variety of aspects to their resume model and MindSteps intends to do the same. The sources of revenue are all based on generating a large volume of traffic with a high turnover rate (continually refreshed stream of users).

MindSteps intends to use each of the following methods to generate revenue:

- Advertising and Sponsorship
- Content to sell or resell
- Selling goods and services (books, tapes, career counseling)
- Sell access to the database of users
- Charge users to access the site or parts of the site
- Charge to post job listings
- Charge for resume sourcing/screening from the database of users

6. Competitive Landscape

6.1 Competitive Demographics

The majority of existing job sites today are job boards where job seekers post their resumes and employers post their open jobs. Forrester research estimates that the market for online jobs will reach \$1.7 billion and account for one-fifth of classified advertising employment budgets by 2003. It is estimated that there were about 28 million job postings on the Net in 1998, covering about 2 million actual jobs and that each job gets posted to an average of 2.3 different job boards. While the number of jobs is growing slowly (up 1.2 percent from 1997 to 1998), the number of online job postings jumped 60 percent in the same timeframe showing that the net is rapidly gaining momentum as the place to find employees.⁷

6.2 Key Players

6.2.1 Monster.com

The following description of Monster.com comes from Smart Money magazine: "Among the most comprehensive, easy-to-use and up-to-date employment sites on the Web. You can search employers by keywords nationwide or within a given metro area. Heavy on health care, technical and human resources jobs. Claims more than 50,000 listings. Email alerts."

6.2.2 Career Builder

The following description of Career Builder is from Hoovers: "CareerBuilder does things the new-fashioned way: online. The company brings employers and potential employees together through its CareerBuilder.com Web site. Some 550 companies (such as Microsoft, Bristol-Myers Squibb, and GTE Interworking) use CareerBuilder to post their employment offerings. These clients often use the company's TeamBuilder services and software to post job ads and conduct online recruiting. Job seekers can access the site's search feature or gather employment-related information. The company also posts job openings on 18 other sites associated with its CareerBuilder Network, including those of Black Enterprise, *The Dallas Morning News*, and *Business Week ONLINE*."

6.2.3 Career Path

The following description of Career Path comes from Smart Money magazine: "Allows you to search newspaper classified ads from 78 U.S. newspapers including the Los Angeles Times, New York Times and Washington Post. But in order to initiate a search, you must first choose at least one but no more than 10 job categories. That's okay if the kind of job you are seeking is easily classified, like computer programmer. But if your occupation is say, technical writer, you'll have a hard time locating all the companies across the various industries that have openings for your occupation. "

6.2.4 Career Experience

6.2.5 AOL career site

6.2.6 CareerMosaic.com

The following description of CareerMosaic.com comes from Smart Money magazine: "Tech and computer heavy, with many accounting, health and insurance jobs. User-friendly search mechanism lets you sort jobs by location, how long they've been open and key words. Access to search engine for Internet newsgroups. Strong international listings including Hong Kong, Japan and Korea. Email alerts. "

6.2.7 HeadHunter.net

The following description of HeadHunter.net comes from Smart Money magazine: "Claims to have 192,000 job listings. You can filter the postings by such factors as salary, location, education and experience. But these listings are from employers, not recruiters, so the name HeadHunter.Net is misleading. Another oddity is the way job listings are sorted when you perform a search. Employers pay for better placement on the list. So the jobs returned aren't the most relevant or the freshest but the ones that jump to the head of the line via a fee."

The following description of HeadHunter.net comes from Hoovers: " HeadHunter.NET provides traditional employment services with a 1990s twist. The company's Web site offers more than 175,000 job listings and in excess of 200,000 resumes. Job seekers can search for job opportunities by type, industry, geographic location, and salary range, among other criteria. The company generates revenue via advertising, charging recruiters to post job openings, and offering recruiters enhanced listing services. HeadHunter.NET also provides content to AltaVista, MaxPitch Media, PeopleWeb Communications, and Yahoo!. "

6.2.8 HotJobs.com

The following description of HotJobs.com comes from Smart Money magazine: "Caters to mid- and senior-level professionals. The site says it won't allow headhunters access to resumes. There's a lockout feature that lets applicants prevent up to 20 specific companies from viewing their resume. You can also find out how many companies have looked at your resume. Email alerts."

The following description of HotJobs.com comes from Hoovers: " HotJobs.com is pulling out all the stops in an effort to fan the flames of online recruiting. The company that spent nearly half of its 1998 revenue on a 30-second commercial airing during the 1999 Super Bowl has enticed more than 1,500 employers (Amazon.com, IBM, NIKE) to use its recruiting Web site. In excess of 350,000 job seekers have joined the HotJobs.com database of potential employees. The company generates revenue from the fees it charges employers to use its service (job seekers are not charged). It also offers online job fairs and recruiting software."

6.3 Partnership Opportunities

6.3.1 Hire Systems

The following description of Hire Systems is from Interbiznet.com: "With over 1,300 current customers, Hire Systems is making a very solid play for centrality as an applicant management system. Its Web based services include resume processing, private database management, sophisticated searching capability, complete applicant tracking and detailed reporting .

A simple and effective Website offers brochure style information for customers. The owner is in the application itself."

6.3.2 WetFeet Press

The following description of WetFeet Press is from Interbiznet.com: "Wet Feet Press delivers "Insider's Guides" to companies for job hunters. Any Recruiter working for the covered companies should own the relevant guide. A simple design belies the fact that the companies products make great supplements to the inhouse Recruiting collateral."

7. Positioning

Current primary positioning is that Project Explorer is the way for people who are looking for a job to get the 'Right Job.'" Some other aspects of the positioning include:

- Easy to use, intuitive, low hassle site
- By using Project Explorer, the job seeker will feel:
 - Like he has more clarity in his job search
 - Like she understands more about herself and the search process and is more empowered
 - Like he will make more money
 - Like she will spend less money on other career transition support (i.e. books, career coaches, recruiters)
 - Like he will be more in control of his job search
 - Like she will be more focused about what she wants.
 - Like he will have access to more people, jobs, support and information

Some words/phrases that are being associated with Project Explorer:

- CareerMap - to guide you to the right job
- Compass - points you in the right direction
- Gateway - Doorway to the right job

8. Release Schedule

The initial release of MindSteps site will be in December, 1999 for a new year's roll out.

¹ Bureau of Labor Statistics

² Bureau of Labor Statistics

³ *New Study Shows American Workforce Restless; One-Quarter of Workforce Planning Career Change in Next 12 months, 'More Money' is Primary Motivation*, SmartMoney.com, August 24, 1999

⁴ *Why more Job Hunters are Stalking the Web*, The Christian Science Monitor, August 16, 1999

⁵ Number of visitors represents unique visitors to each site (same visitor is counted only once per month). Media Metrix monthly data can be found at <http://www.mediametrix.com/TopRankings/TopRankings.html>

⁶ *Internet? Real Profits? You're Kidding*. Smart Money, August 21, 1998

⁷ *The Virtual Pavement: Employers and Employees Hit the Net's Job Boards*, The Industry Standard, April 12, 1999