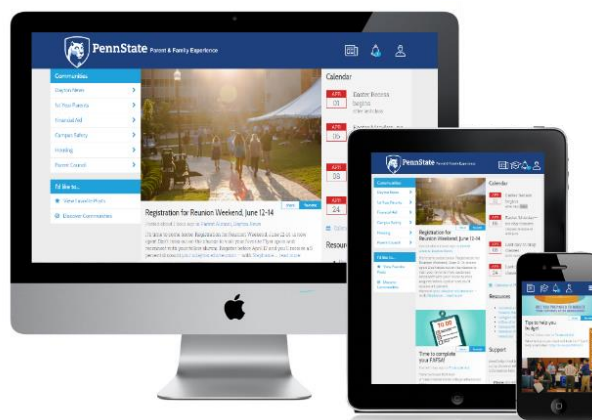




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Business Overview

Business mission and revenue model.

Parents are involved in their students' education more than ever. Recent studies indicate interactions between parents and their college student averaging over 13 times a week (Hofer & Moore, 2010). Millennial college students identify parents as the most influential people in their lives (Pew Research, 2012).

Parent expectations with college are also increasing, and colleges are spending more resources to meet those higher expectations. Colleges are establishing parent liaisons, forming parent councils, and developing parent communication plans (Noel-Levitz, 2012).

But managing parent engagement is new for colleges. Most schools don't even have a reliable list of parent addresses. Colleges track parent data but lack a method to scale their efforts.

What if colleges could not only address parent expectations, but also utilize parent involvement to positively influence student success?

CampusESP is a strategic parent and family engagement platform enabling institutions to keep the most important influencers of their students informed - parents. From impacting enrollment, to student success, to annual giving - keeping parents effectively engaged has proven to be critical for institutions looking to better support their institutional goals. Deployed at schools like Penn State, CampusESP gives helicopter parents a place to land.

Colleges pay an annual SaaS fee for CampusESP. The average annual fee paid by pilot partners is \$25K. Management believes that fees could be increased as more schools come on board and ROI is documented. In the latest survey of 20,000 parents currently on the platform, **73% said that CampusESP helps them better advise/support their students.**

Technology/Solution

CampusESP provides a one-stop shop where parents can view student progress, campus news, campus events, and topics important to parents. CampusESP is unique in utilizing student data, via a FERPA waiver process, to create a personalized experience for parents that focuses their involvement and creates an experience for the college parent journey.

The CampusESP platform:

- Centrally manages parent information and parent preferences, providing colleges insight into what matters most for parents.
- Provides parents information over a variety of channels (Web, mobile, email), creating a sense of trust and value.
- Proactively alerts parents on topics requiring action, facilitating student success.

CampusESP is a SaaS engagement platform that combines CRM, content management and social networking . The solution integrates with a college's Student Information System (SIS) to help manage FERPA waivers for students and parents. It also uses the parent-student connection to deliver content that is relevant for parents.

Future product development plans include a native app, text message support, and a student engagement/support module.

Key product features and competitive advantages.

CampusESP provides a web-first portal, pushing relevant content and media to parents in order to better engage them as college and career advisors to their students.

CampusESP collaborated with more than a dozen institutions, collecting more than 8,000 parent surveys, to better understand how parents of Millennials and Generation Z interact with their college students. The results were used to create a platform that focuses family involvement on student success, and *that can be implemented in 2 weeks*. Distinctive features include:

- **Automated Alerts** are sent to parents about new grades, bills, and appropriate times for parents to step in & help.
- **Real-Time Advice** directs parents to relevant articles, blogs and guidance to make them better advisors.
- **Student Dashboard** can be requested by parents through an electronic FERPA waiver process so that they can gain insight into one of their biggest investments...their student.
- **Privacy Control** so that students can manage their privacy preferences.
- **Community Streams** provide timely, relevant information (e.g. first year parents see orientation information, while senior parents see career and internship content). *CampusESP has a 65% email open rate.*
- **Curated Content** makes it easy for colleges to manage. CampusESP delivers a turnkey experience by posting meaningful content directly into customer portals.

Sales and marketing efforts

Business development efforts have primarily focused on direct outreach, networking and conference participation (CampusESP exhibited at about 12 Higher Education conferences in 2016).

CampusESP has an affiliate marketing agreement with Campus Management Corp. (<https://www.campusmanagement.com/>), a company that provides CRM and SIS solutions to major colleges and universities.

Traction

Key customers

CampusESP is LIVE at six paid pilots (contracts average \$25K annual subscription). CampusESP "key customers" include:

- Pennsylvania State University-Main Campus (40,742 undergraduate student FTE) – <http://psu.campusesp.com/>
- Tarleton State University (10,750 undergraduate student FTE) - <https://tarleton.campusesp.com/>
- Abilene Christian University (3,760 undergraduate student FTE) - <https://acu.campusesp.com/>

CampusESP has a sales pipeline of 42 opportunities, including 9 prospects currently in contract review.

Revenue-to-date, Company ARR, & Size of user base

CampusESP earned \$140,000 in 2016. ARR is \$110,000.

Nearly 20,000 parents are CampusESP users. This number is expected to grow to over 50,000 by January 2017 (Penn State is expanding their pilot from 1st year parents to ALL parents).

Market Opportunity

Overall market description.

There are over 4,200 colleges, universities and community colleges in the United States, and most are overwhelmed and not prepared to handle increasing parental involvement. CampusESP is sold direct to universities, typically through the enrollment management department or parent/family relations (yes, this department actually exists). Other departments such as student affairs, IT, and alumni or fund development are also important stakeholders.

CampusESP estimates the parent engagement market size to be around \$250MM. CampusESP views parent engagement as an entry point into a larger student and alumni engagement market estimated at over \$2B. All CampusESP pilots have inquired about expanding usage of our platform for student engagement.

Size and growth characteristics of the target segment(s).

The size of the U.S. college and university market is relatively stable, but there are increasing financial pressures:

- **Increasing reliance on net tuition revenue (NTR)** – NTR is revenue paid by students and families. It now represents the largest share of revenue for colleges (47%), up from 25% in 1990.
- **Increasing focus on state performance funding** – 35 states (up from 12 in 2009) now base funding levels on formulas that often focus on student success. For example, Tennessee only provides funding for students that have been awarded 30 credits.

These financial pressures have driven a renewed focus on *student success* (e.g. higher graduation and retention rates), both for colleges and families. Additionally, increased pressure for colleges to enroll the “right students” (those that schools believe will succeed) has increased the need for colleges to differentiate their recruiting efforts.

Most universities now have a department called “Enrollment Management” which focuses on achieving enrollment goals. Generally, this department is one of the few in Higher Education with increasing budgets for creative enrollment solutions.

Key direct and indirect competitors.

Nearly all universities have catch-all, plain-text websites with lists of links and information that are frequently outdated. Most universities manage the parent/family interaction manually, requiring more time and more staffing. Others resort to Facebook, which requires parents to independently follow every department that they’re interested in and sift through content. **CampusESP is first to market with a one-stop shop for parent engagement.**

Indirect competitors include:

- Ellucian, Oracle, Workday (SIS providers) – these vendors have a Higher Ed focus and implicit solution integration, but are not parent/family focused, do not actively manage content, and generally are too complex to implement.
- Starfish/Hobsons (Retention solutions) – these vendors have a Higher Ed focus, feature sets that include early alerts and integrated analytics, but they are not parent/family focused, do not have features to address FERPA compliance, and do not actively manage content.
- ClassDojo, Remind (K12 portals) – these vendors do have a parent/family focus, but no expertise in Higher Ed, or features to address FERPA compliance, integrated analytics or managed content.

Describe the sales and distribution channels to be used.

CampusESP targets colleges and universities with a focus on enrollment management and student retention. 94% of admissions officers say engaging parents helps with recruiting efforts. Furthermore, CampusESP research indicates that college student GPAs are +.5 higher when parents provide academic advice and support to their students (thereby improving student retention). Parent and family involvement can help colleges reach their enrollment goals.

The market strategy is a combination of direct sales via multiple channels. CampusESP participates in conferences such as AACRAO-SEM, Ruffalo Noel Levitz, AHEPPP, and EDUCAUSE (CampusESP was named a Startup Alley "Game Changer" company). Current customers receive regular engagement and impact reports. CampusESP is taking a land-and-expand approach with its engagement solutions; starting with parents, eventually extending to students.

Key Personnel

Key management

Dave Becker (CEO) has worked in EdTech for 18 years and has advised, presented and consulted at over 300 universities and colleges. He was the SVP of Product Management for Ellucian (formerly SunGard Higher Education) where he had responsibility for over 1,300 customers, managing a product portfolio producing \$300MM in annual revenue. He has deep industry relationships and a network of customer contacts.

James Bright (CTO) has over 20 years of experience designing and engineering white-label social networks and enterprise systems. He has been involved with half a dozen startups, and is wired into the Philly tech community.

Dave is working on CampusESP full-time. James is currently part-time, until funding is secured.

Board of Directors and Advisors

Corporate Attorney: Gerber Growth/ John Gerber <http://gerbergrowth.com/> specializes in startup legal services.

Corporate Finance: Sullivan Strategic/ John Sullivan <http://www.sullivanstrategic.com/> provides CPA and tax services.

CampusESP has formed an Advisory Board to assist with industry connections and provide strategic guidance. All members have been allocated a small amount of stock options to incent continued assistance:

- Evan Nisonson, PHD – former CEO, ConnectEDU
- Chris Ferguson, EdD – VP & Dean of Admissions at Drexel University
- Anne Keehn – former Sr. Fellow at the Gates Foundation
- George Kuh, PhD – Chancellor's Prof. Emeritus at Indiana University
- Brian Watkins – Director of Parent and Family Affairs at the University of Maryland
- Julie Johnson, EdD – VP of Strategy at Complete College America

CampusESP receives additional advising and support from Dreamit (CampusESP is a member of 2016 EdTech Accelerator) and Towson University (CampusESP is a member of 2016 EdTech Incubator).

The CampusESP Board of Directors is staffed by Dave Becker and James Bright.

Intellectual Property

Significant Intellectual Property

CampusESP has submitted a trademark application for the tagline "give helicopter parents a place to land".

Funding

Funding history to date

CampusESP is 100% bootstrapped by co-founders Dave Becker and James Bright. In addition to considerable amounts of sweat equity, they have contributed \$50,000 in capital.

Expected and confirmed source(s) of match for the BFTP funds.

Expected sources of matching funds:

- Dreamit Investments
- Approximately 8 private investors have indicated interest in funding about \$200,000
- Ongoing discussions with University Ventures, New Market Ventures and 1855 Capital

Fundraising plan for the next 12 months.

CampusESP is raising a \$500K seed round, which will provide enough growth capital for 12 months.

Expected Outcomes of Funding

As a result of funding, CampusESP will be able to hire a full-time staff of 8 employees, to address efforts the following:

- Sales and Marketing (46%)
- Customer Support (33%)
- Product Development (10%)
- General & Administrative (11%)

Key technical milestones

Most key technical milestones have been reached as of December 31, 2016:

- Minimally Viable Product (MVP) for pilot customers
- SaaS Platform Features (e.g. white-labeling for customers, cross-posting of content)
- Enterprise Level Student Data Integration
- Student Single Sign-On (SSO) Integration
- Drip Marketing Campaign Support
- Batch Load of Parent Lists to Support Automated Onboarding of Customers

Future technical milestones include:

- SMS support (for parent & student alerts)
- Retargeting support (for prospective parents and recruiting/admissions functionality)

Measurable outcomes

Within the next 12 months, CampusESP expects:

- Customers – 24 paying customers (6 currently)
- Employees – 8 f/t employees (3 currently)
- Sales Pipeline – 70 prospects (42 currently)