



# ElevateEd

## High-Level Feasibility Study

Submitted to:

The Ministry of Digital Economy and Entrepreneurship

*Disclaimer:*

*The Ministry of Digital Economy and Entrepreneurship (MoDEE) and Istdama Consulting have prepared this report using information supplied by its advisors as well as information available in the public domain.*

*The report's contents have not been verified and its analysis does not purport to be all-inclusive. MoDEE and Istdama Consulting expressly disclaim any and all liability for any representation, warranty, or undertaking, or omission expressed or implied, which is or will be given in relation to the truth, accuracy, or completeness of this report, and no representation or liability is or will be accepted by MoDEE or Istdama Consulting as to the achievement or reasonableness of future projections or the assumptions underlying them, management targets, valuations, opinions, prospects or returns if any.*

*Founders and investors considering this project are advised to conduct further analysis on projected adoption rates, development costs, and ongoing operational expenses. This additional scrutiny will help mitigate potential risks related to technology challenges, changes in regulations, market penetration, and competitive pressures.*

*The report does not constitute any form of commitment or recommendation on the part of MoDEE or Istdama Consulting.*

A National Entrepreneurship Policy Project



Ministry of Digital Economy  
and Entrepreneurship



Funded by  
the European Union

Prepared by:



# Table of Contents

Table of Tables .....	2
Table of Figures .....	2
Executive Summary .....	3
1. Introduction .....	3
2. Market Analysis .....	4
3. Business Model.....	5
4. Technical Analysis.....	8
5. Financial Analysis.....	10
5.1 Financial Study Assumptions .....	10
5.2 Financial Study: .....	11
5.2.1 Projected Working Capital .....	11
5.2.2 Project Initial Cost.....	11
5.2.3 Projected Income Statement.....	11
5.2.4 Projected Free Cash Flow Statement.....	13
5.3 Sensitivity Analysis.....	13
6. Integration with Other Sectors.....	14
7. Entrepreneur Persona .....	15
8. Stakeholders .....	15
9. Risk Assessment and Mitigation .....	16
10. Conclusion.....	17

# Table of Tables

Table 1: Revenue projection .....	7
Table 2: Manpower recruitment plan – five-year projection.....	8
Table 3: Total manpower cost – five-year projection.....	9
Table 4: Operational Expenditures – five-year projection .....	9
Table 5: Capital Expenditures Cost – five-year projection .....	9
Table 6: Working capital projection (JOD) .....	11
Table 7: Initial Cost Summary (JOD) .....	11
Table 8: Projected Income Statement (JOD) .....	11
Table 9 : Free Cash Flow (FCF) Projection (JOD).....	13
Table 10: Sensitivity analysis outcomes .....	13

# Table of Figures

Figure 1: Product Mix by Quantity .....	7
Figure 2: Product Mix by Revenue.....	8
Figure 3: Gross vs Net Profit Margin .....	12
Figure 4: Return on Investment.....	12

# Executive Summary

This feasibility study highlights the potential of ElevateEd in addressing Jordan's educational challenges. The 2022 PISA assessment reveals that Jordanian 15-year-olds score significantly lower than OECD averages in mathematics, reading, and science, underscoring the urgent need for curriculum reform.<sup>1</sup> The quality of teaching is also a major concern, with inadequate training for teachers at scale. The situation suggests a strain on educational resources, and the immediate need to provide alternative routes towards providing key 21st century skills which will make Jordan's students workforce ready. To address this, ElevateEd is a digital educational application aimed at reinforcing K-12 learning in Jordan initially and then expanding slowly regionally by focusing on vital skills often overlooked in traditional schooling. Through a gamified and case-based approach, ElevateEd offers masterclasses and specializations in critical areas such as critical thinking, problem-solving, sustainability, and mental health.

The global K-12 educational technology market was valued at USD 18,830 million in 2022 and is expected to reach USD 168,445 million by 2032, with a compound annual growth rate (CAGR) of 24.5%.<sup>2</sup> Furthermore, the Middle East EdTech market was valued at USD 4,157.79 Million in 2022 and is expected to grow at a strong CAGR of around 13.89% between 2023-2030, due to the growing smartphone and internet penetration<sup>3</sup>. ElevateEd operates on both B2C (or direct to consumer - D2C) and B2B models, targeting students, parents, educators, schools, and NGOs. The application offers bilingual interactive learning modules, parental facilitation tools, and educator support resources, providing a comprehensive suite of services tailored to diverse educational needs. This study explores how ElevateEd can leverage market growth by targeting students, parents, educators, and organizations, potentially integrating its services with higher education institutions upon achieving product-market fit and embarking on growth, the healthcare sector, financial institutions, and technology companies to enhance modernized education and bridge the gap in educational resources.

## I. Introduction

In Jordan, the primary and secondary education system is facing serious challenges that are affecting students' readiness for the future and their access to quality education. The 2022 PISA assessment reveals that Jordanian 15-year-olds scored significantly lower than the OECD averages in mathematics, reading, and science<sup>4</sup>. This discrepancy highlights the urgent need for curriculum reform. The quality of teaching is also a major concern, due to inadequate training for teachers both before and during their careers. Modernizing teaching methods are essential steps to enhance educational outcomes and better prepare Jordanian students for future challenges. Additionally, there is a strain on infrastructure and capacity, highlighted by the enrolment of more than 1.5 million students<sup>5</sup>. This enrolment surge has led to overcrowded classrooms and an increased reliance on double-shift schools, a situation that was further exacerbated by the COVID-19 pandemic, resulting in extended school closures

---

<sup>1</sup> Jordan | factsheets | OECD PISA 2022 results. (n.d.). <https://www.oecd.org/publication/pisa-2022-results/country-notes/jordan-d1c865b3>

<sup>2</sup> K-12 Educational Technology Market Size By 2032. (n.d.). [www.businessresearchinsights.com](https://www.businessresearchinsights.com). Retrieved May 30, 2024, from <https://www.businessresearchinsights.com/market-reports/k-12-educational-technology-market-102929>

<sup>3</sup> [https://univdatos.com/report/middle-east-edtech-market/?trk=article-ssr-frontend-pulse\\_little-text-block](https://univdatos.com/report/middle-east-edtech-market/?trk=article-ssr-frontend-pulse_little-text-block)

<sup>4</sup> Jordan | factsheets | OECD PISA 2022 results. (n.d.). <https://www.oecd.org/publication/pisa-2022-results/country-notes/jordan-d1c865b3>

<sup>5</sup> Amman 2018 Ministry of Education Education Strategic Plan. (2018). [https://planipolis.iiep.unesco.org/sites/default/files/ressources/jordan\\_esp\\_2018-2022\\_0.pdf](https://planipolis.iiep.unesco.org/sites/default/files/ressources/jordan_esp_2018-2022_0.pdf)

affecting 65% of students, a figure that overshadows the OECD average of 51%.<sup>6</sup> Overall, with the resource and training constraint, and the lack of infrastructural capacity, there is a need for incorporating 21st century skills into student learning in a manner that does not increase the strain on school resources. With students graduating from schools where rote learning does not enable them to acquire and practice key 21st-century skills like critical thinking, problem-solving, and emotional intelligence, the gap keeps widening and is not addressed in higher education, which also faces challenges in providing just-in-time education powered by 21st century skills. This is evident by the widening skills gap between higher education outcomes and labour market requirements, leaving many students ill-prepared for the demands of the modern workforce.

ElevateEd aims to address this issue. ElevateEd is a pioneering educational digital application aimed at transforming K-12 learning by focusing on vital skills often overlooked in traditional schooling. Through a gamified and case-based approach, ElevateEd offers masterclasses and specializations covering critical areas such as Critical Thinking, Problem Solving, Sustainability, and Mental Health. With engaging content and interactive modules, ElevateEd aims to equip students with the competencies essential for success in an ever-evolving world.

## 2. Market Analysis

The global K-12 educational technology market was valued at USD 18,830 million in 2022 and is expected to reach USD 168,445 million by 2032, with a compound annual growth rate (CAGR) of 24.5% during the forecast period<sup>7</sup>. In the Middle East alone, the EdTech market was valued at USD 4157.79 Million in 2022 and is expected to grow at a strong CAGR of around 13.89% between 2023-2030, due to the growing smartphone and internet penetration<sup>8</sup>. Technological literacy is crucial as routine jobs decline and roles requiring analytical and interactive communication skills increase<sup>10</sup>. According to the National Education Association, USA, the current workforce shifts demand higher critical thinking and problem-solving abilities<sup>11</sup>. Harvard researchers Fernando Reimers and Connie K.Chung advocate for education that includes global competencies, emphasizing cultural awareness and adaptability. This comprehensive approach ensures students are prepared for both academic and professional success in a dynamic, globalized world<sup>12</sup>.

Globally, several edtech ventures are making significant strides in transforming K-12 education from different angles. **Google for Education** enhances digital learning with tools like Google Classroom and Chromebooks, promoting accessibility<sup>13</sup>. **Khan Academy** offers a range of free, high-quality online courses, enabling self-paced learning<sup>14</sup>. **Edmodo** facilitates seamless communication between teachers, students, and parents, fostering collaboration.<sup>15</sup>

---

<sup>6</sup> Education GPS - jordan - student performance (pisa 2018). (n.d.-a). <https://gpseducation.oecd.org/CountryProfile?primaryCountry=JOR&treshold=10&topic=PI>

<sup>7</sup> K-12 Educational Technology Market Size By 2032. (n.d.). [www.businessresearchinsights.com](https://www.businessresearchinsights.com/market-reports/k-12-educational-technology-market-102929). Retrieved May 30, 2024, from <https://www.businessresearchinsights.com/market-reports/k-12-educational-technology-market-102929>

<sup>8</sup> [https://univdatos.com/report/middle-east-edtech-market/?trk=article-ssr-frontend-pulse\\_little-text-block](https://univdatos.com/report/middle-east-edtech-market/?trk=article-ssr-frontend-pulse_little-text-block)

<sup>9</sup> How to prepare today's students for tomorrow's workforce: 21st Century Learning. (n.d.). [www.brandman.edu](http://www.brandman.edu). <https://www.umassglobal.edu/news-and-events/blog/what-is-21st-century-learning>

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Kumar, N. (2024, March 16). Top 10 Edtech Companies Transforming K-12 Education. Analytics Insight. <https://www.analyticsinsight.net/ed-tech-companies/top-10-edtech-companies-transforming-k-12-education>

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

**Schoology's** learning management system enhances classroom engagement through interactive features.<sup>16</sup> **Nearpod** provides real-time assessment tools, making classroom interactions dynamic.<sup>17</sup> **DreamBox Learning's** adaptive math curriculum delivers personalized learning experiences, improving student outcomes.<sup>18</sup> **Blackboard** supports traditional and digital learning with its comprehensive learning management system.<sup>19</sup> **Pearson** provides a blend of digital and print educational materials, catering to diverse learning needs.<sup>20</sup> These ventures collectively contribute to a more inclusive, engaging, and effective educational landscape. In the MENA region, there are multiple players and rising edtech start-ups offering innovative solutions such as **Alef Education**, which is a leading edtech company that offers a personalized learning experience through its AI-supported digital application, emphasizing cognitive science and evidence-based experiments to help students master key concepts engagingly while providing real-time interactive data and allowing parents to track progress via the Alef app<sup>21</sup>. **Abwaab**, is another example of an online learning application that allows secondary-school students to learn at their own pace, test themselves and get connected with tutors anytime and anywhere. By offering short, engaging video lessons, visualized learning journeys, continuous assessment, and performance analytics, Abwaab promises to change the way students learn outside the classroom. Other examples include **Noon (Noon Academy previously)** which is a social learning application offering free and paid live and recorded sessions as well as opportunities to study with teachers and peers in various topics.

Starting with Jordan, ElevateEd targets a diverse market, including families, schools, and NGOs dedicated to advancing 21st-century skills among children. The size of the market for students enrolled in K12 education in Jordan was 2,151,670 during the academic year 2019/20.<sup>22</sup> Into this basic number, adding parent, educator and institutional subscribers increases the market size further. The application appeals to private schools, and middle to high-income families who prioritize comprehensive skill development beyond traditional education. Initially focusing on urban and suburban areas with strong digital infrastructure, ElevateEd plans to extend its reach to rural communities using innovative outreach strategies and technology. This expansion aims to provide equitable access to high-quality education through scholarships and subsidized subscriptions sponsored by private sector, donors and NGOs. Aligning with current educational trends, ElevateEd emphasizes critical thinking, problem-solving, and adaptability by offering specialized masterclasses and case-based learning, ensuring students can apply theoretical knowledge to real-world scenarios, thus preparing them for future success.

### 3. Business Model

ElevateEd operates on a B2C model targeting parents, guardians, and K-12 students, and a B2B model aimed at schools (primarily private schools), educational organizations and

---

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Home | Alef Education | Award Winning K-12 Education Technology. (n.d.). Alef Education. <https://www.alefeducation.com>

<sup>22</sup> K-12 & Vocational Education Sector Jordan's Economic Vision Roadmap. (n.d.). Retrieved May 31, 2024, from <https://jsf.org/uploads/2022/12/k-12-vocational-education-1.pdf>

education reform initiatives and programs. They also offer content development services at additional fees. The core services of the application are as follows:

1. **Bilingual Interactive Learning Modules:** ElevateEd offers a comprehensive suite of bilingual interactive learning modules with engaging activities in Arabic and English (mix to be determined upon achieving product-market fit and better understanding the demand). Tailored for K-12 students, they include masterclasses and specializations focusing on critical skills such as Critical Thinking, Problem Solving, Sustainability, and Mental Health. They can be offered as extra-curricular programs at schools or after school or summer school programs. To enhance engagement, ElevateEd employs gamified learning techniques and case-based learning, using real-world scenarios to encourage practical application. The application also features integrated assessment and progress tracking tools to evaluate student performance and provide valuable insights for educators and parents.
2. **Educator Support Resources:** For educators, ElevateEd provides a range of support resources designed to integrate application-based activities into their teaching practices. These supplementary materials include masterclasses and specializations that educators can use to enhance classroom learning. The digital tools provided by ElevateEd make traditional teaching methods more dynamic and engaging.
3. **Parental Facilitation:** ElevateEd provides tools and resources for parents to support their child's learning journey, ensuring effective use of the application's content while helping to optimize the learning experience and enhance their child's educational achievements.
4. **Development and Content Creation services:** through this service, ElevateEd taps into institutional partnerships and development projects funded by governments, private sector, and donors to offer customized or expanded learning modules covering 21st century skills.

ElevateEd's revenue model is designed to accommodate the diverse needs of students, families, schools, and educational organizations. The application offers **subscription plans** with various monthly and annual options for accessing premium content and advanced features, ensuring consistent income, and allowing users to select the level of service that best fits their needs. Additionally, a **freemium model** provides free access to basic content, with in-app purchases available for additional resources and features, catering to different economic segments and enhancing accessibility. ElevateEd also collaborates with schools, NGOs, and community organizations through **institutional partnerships**, offering bulk subscriptions and customized content packages at reduced costs to ensure larger groups can benefit from the application's resources. Lastly, ElevateEd can also tap into **grant funding and sponsorships** from government bodies, international organizations, and private sponsors to support ongoing application development and expansion.

The revenue projections for the first five years of the start-up show a significant increase. Total revenues show steady growth from JOD 80,000 in Year 1 to JOD 449,000 in Year 5, reflecting the scaling of operations and market penetration. Each revenue stream growth in demand over the five years:

- **B2B Subscriptions:** Quantity demand increases from 5000 student licenses to 11,000, with stable pricing leading to revenue growth from JOD 35,000 in Year 1 to JOD 77,000 in Year 5.

- **B2C Subscriptions:** More substantial growth in demand, starting with 750 and increasing to 6300 as the start-up starts expanding beyond the Jordanian market, with corresponding revenue increases to JOD 252,000.
- **Development and Content Creation projects:** Starts with a smaller base but shows a consistent increase, with revenue growing from JOD 15,000 to JOD 120,000 in 5 years.

Itemised revenues and total annual revenues are summarised in the table below:

Table 1: Revenue projection

Description / Year	1	2	3	4	5
Projected Demand (Quantity) B2B	5,000	7,200	8,600	9,600	11,000
Price / Unit B2B	7	7	7	7	7
<b>Sub-total B2B</b>	35,000	50,400	60,200	67,200	77,000
Projected Demand (Quantity) B2C	750	1000	2000	4000	6300
Price / Unit B2C	40	40	40	40	40
<b>Sub-total B2C</b>	30,000	40,000	80,000	160,000	252,000
Projected Demand (Quantity) Development & Content Creation	1	3	5	7	8
Price / Unit Development & Content Creation	15,000	15,000	15,000	15,000	15,000
<b>Sub-total Development &amp; Content Creation</b>	15,000	45,000	75,000	105,000	120,000
<b>Total Revenues</b>	80,000	135,400	215,200	332,200	449,000

The following charts show the product mix by revenue and by quantity. The analysis reveals a diversified distribution between the three product lines, both in terms of quantity and Revenue. B2B, B2C and Development and Content Creation Projects all note significant growth over five years.

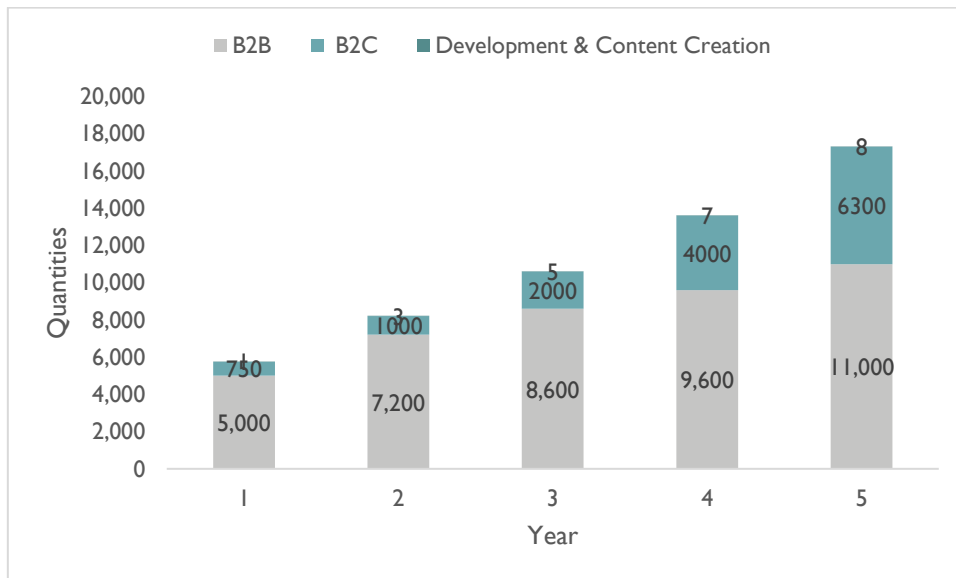


Figure 1: Product Mix by Quantity



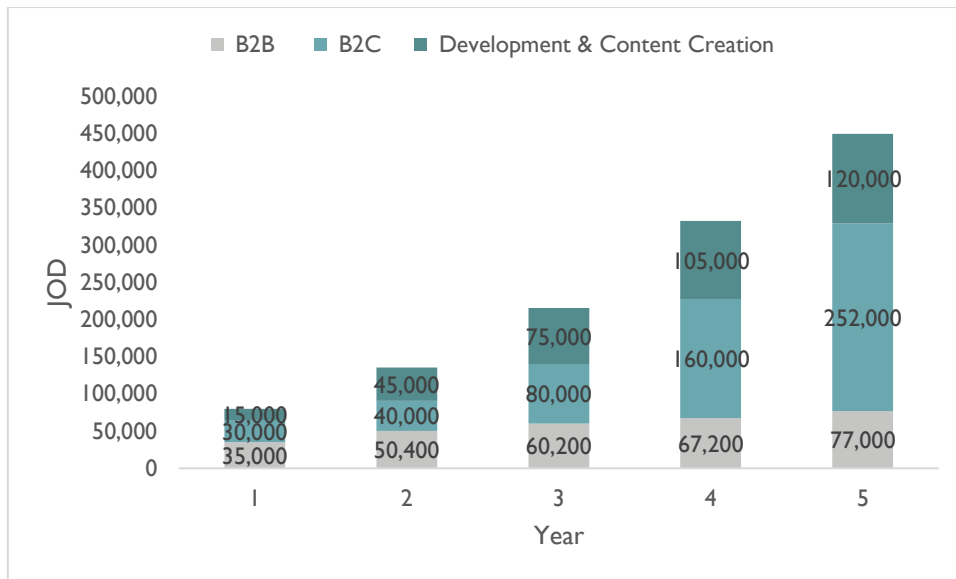


Figure 2: Product Mix by Revenue

## 4. Technical Analysis

For this start-up, there are no cost of goods sold (COGS) for each service as application development fees and content development costs have been accounted for in the capital expenditure and manpower costs.

The start-up requires a team consisting of a CEO, Content Creator and Instructional Designer, Media coordinator, Sales Officer, Project Manager, and a support team specializing in HR and Finance.

Table 2: Manpower recruitment plan – five-year projection

Title / Year	1	2	3	4	5
CEO	1	1	1	1	1
Sales Specialist	0	1	1	1	1
Senior Instructional Designer	0	0	1	1	1
Project Coordinator	0	0	1	1	1
Content Creator	1	1	1	1	1
Media Coordinator (Part time)	0	0	1	1	1
Finance Coordinator	0	1	1	1	1
HR and Office Manager	0	1	1	1	1

The table below provides an overview of human resource costs, accounting for social security and health insurance expenses. Social security contributions were computed at 14.25% of the gross salary, following the guidelines set by the Social Security Corporation.

Table 3: Total manpower cost – five-year projection

Title / Year	1	2	3	4	5
CEO	18,000	21,600	26,400	30,000	33,600
Sales Specialist	-	9,600	10,800	12,000	14,400
Project Coordinator	-	-	14,400	16,800	19,200
Content Creator	-	-	7,200	8,400	10,200
Media Coordinator (Part time)	6,000	7,200	8,400	9,600	10,800
Finance Coordinator	-	-	12,000	13,200	14,400
HR and Office Manager	-	6,000	7,200	8,400	9,600
HR and Office Manager	-	6,000	7,200	8,400	9,600
<b>Total HR Salaries</b>	<b>24,000</b>	<b>50,400</b>	<b>93,600</b>	<b>106,800</b>	<b>121,800</b>
Social Security Cost	3,420	7,182	13,338	15,219	17,357
Health Insurance Cost	1,000	2,500	4,000	4,000	4,000
<b>Total HR Cost</b>	<b>28,420</b>	<b>60,082</b>	<b>110,938</b>	<b>126,019</b>	<b>143,157</b>

Operational expenditure includes the legal and office expenses combined with advertising costs that may need to be revisited in the event sales efforts need boosting:

Table 4: Operational Expenditures – five-year projection

Description / Year	1	2	3	4	5
Electricity	250	250	250	250	250
Water	250	250	250	250	250
Office Rent	5,000	5,000	5,000	5,000	5,000
Advertising	10,000	10,000	5,000	5,000	5,000
Legal & Accounting Fees	1,000	1,000	1,000	1,000	1,000
<b>Sub-total OpEx</b>	<b>16,500</b>	<b>16,500</b>	<b>11,500</b>	<b>11,500</b>	<b>11,500</b>
Other Costs	1,650	1,650	1,150	1,150	1,150
<b>Total OpEx</b>	<b>18,150</b>	<b>18,150</b>	<b>12,650</b>	<b>12,650</b>	<b>12,650</b>

The setup costs for ElevateED will include the development of the application at JOD 20,000 which can be invested after launching a basic minimal viable product and verifying demand. Following the same approach for technology development, once the MVP is tried, the start-up starts investing JOD 22,000 gradually in creating the foundational library and grows (covering costs of subject matter experts and media production) and growing it further by injecting another JOD 40,000 in year one. These initial investments are needed to be able to attract clients that are unlikely to sign up if the library is too small.

Table 5: Capital Expenditures Cost – five-year projection

Description / Year	0	1	2	3	4	5
Mobile App	20,000					
Initial Specializations (Content Library)	8,000	16,000	5,000	5,000	5,000	5,000
Initial Masterclasses	4,000	4,000				
Media (Studio + filming + editing)	10,000	20,000	1,000	1,000	1,000	1,000
Furniture	2,000	1,000	500			
Laptops	2,000		1,500	500		
<b>Total CapEx</b>	<b>46,000</b>	<b>41,000</b>	<b>8,000</b>	<b>6,500</b>	<b>6,000</b>	<b>6,000</b>

# 5. Financial Analysis

## 5.1 Financial Study Assumptions

The feasibility study is based on the following key assumptions:

**Discount Rate:** The study employs a conservative discount rate of 14%, reflecting a cautious approach to valuation.

**Financing Structure:** The project is entirely financed by equity. This conservative approach avoids the financial leverage and thus underestimates project value, given the lower cost of debt compared to equity.

**Terminal Value:** The project assumes a zero-terminal value at the end of year five, aligning with the study's conservative outlook.

**Cash Flow Projection:** Cash flows beyond year five are excluded from the analysis, focusing on the initial project phase.

**Tax Rate:** The assumed tax rate of 20% complies with Jordan's income tax law.

**Depreciation Rate:** Capital expenditure (CapEx) is depreciated at an annual rate of 20%. Any deviation from this rate may impact projected profitability but not project feasibility, as depreciation is a non-cash expense.

### Working Capital Assumptions

Operational liquidity requirements are guided by the following assumptions:

**Cash Reserves:** The project will maintain cash equivalent to 90 days of projected annual operational expenses, ensuring robust liquidity management.

**Accounts Receivable (A/R) Collection Period:** The average collection period for receivables is 30 days, reflecting expected credit sales conversion into cash.

**Accounts Payable (A/P) Payment Period:** The average payment period for payables is 30 days, indicating the timeframe for settling supplier obligations.

**Capital expenditures** expected to be incurred in the first year were included as part of the initial costs of the project.

**Provisions** were made within the initial cost to cover any potential negative net free cash flow that may arise during the first five years of operation, if needed.

## 5.2 Financial Study:

### 5.2.1 Projected Working Capital

This table shows that the net working capital needed for the project for the first year of operation is JOD 19,020, which has to increase steadily year over year to reach JOD 79,947 in the fifth year of operation. The steady increase in the working capital comes to cover the rapid increase in the project operations and mainly the increase in the projected revenues.

Table 6: Working capital projection (JOD)

Description / Year	1	2	3	4	5
Cash	12,353	21,060	33,670	37,818	42,531
Accounts Receivable (A/R)	6,667	11,283	17,933	27,683	37,417
Accounts Payable (A/P)	-	-	-	-	-
Net Working Capital (JOD)	19,020	32,343	51,604	65,501	79,947
Change in Working Capital (JOD)	-	13,324	19,260	13,897	14,446

### 5.2.2 Project Initial Cost

The project's initial cost is projected to be JOD 106,020, comprising JOD 87,000 as CapEx and JOD 19,020 as net working capital.

Table 7: Initial Cost Summary (JOD)

Description / Year	JOD
CapEx	87,000
Net Working Capital	19,020
<b>Total Initial Cost</b>	<b>106,020</b>

### 5.2.3 Projected Income Statement

The projected income statement indicates that the project will generate a profit of JOD 10,550 in the first year of operation. Moreover, the net profit is expected to increase gradually over the study period, reaching JOD 204,942 in the fifth year of operation.

Table 8: Projected Income Statement (JOD)

Description / Year	1	2	3	4	5
Total Revenues	80,000	135,400	215,200	332,200	449,000
COGS	-	-	-	-	-
<b>Gross Profit</b>	<b>80,000</b>	<b>135,400</b>	<b>215,200</b>	<b>332,200</b>	<b>449,000</b>
OpEx	49,412	84,240	134,682	151,271	170,122
<b>Net Profit Before Tax and Depreciation</b>	<b>30,588</b>	<b>51,160</b>	<b>80,518</b>	<b>180,929</b>	<b>278,878</b>
Depreciation	17,400	19,000	20,300	21,500	22,700
<b>Net Profit Before Tax</b>	<b>13,188</b>	<b>32,160</b>	<b>60,218</b>	<b>159,429</b>	<b>256,178</b>
Tax Expense	2,638	6,432	12,044	31,886	51,236
<b>Net Profit</b>	<b>10,550</b>	<b>25,728</b>	<b>48,175</b>	<b>127,543</b>	<b>204,942</b>

In the first year of operation, the project is expected to generate a positive net profit margin of 13.20%. The net profit margins are expected to increase gradually over the course of the study. In the fifth year of operations, the net profit margin is expected to be 45.6%.

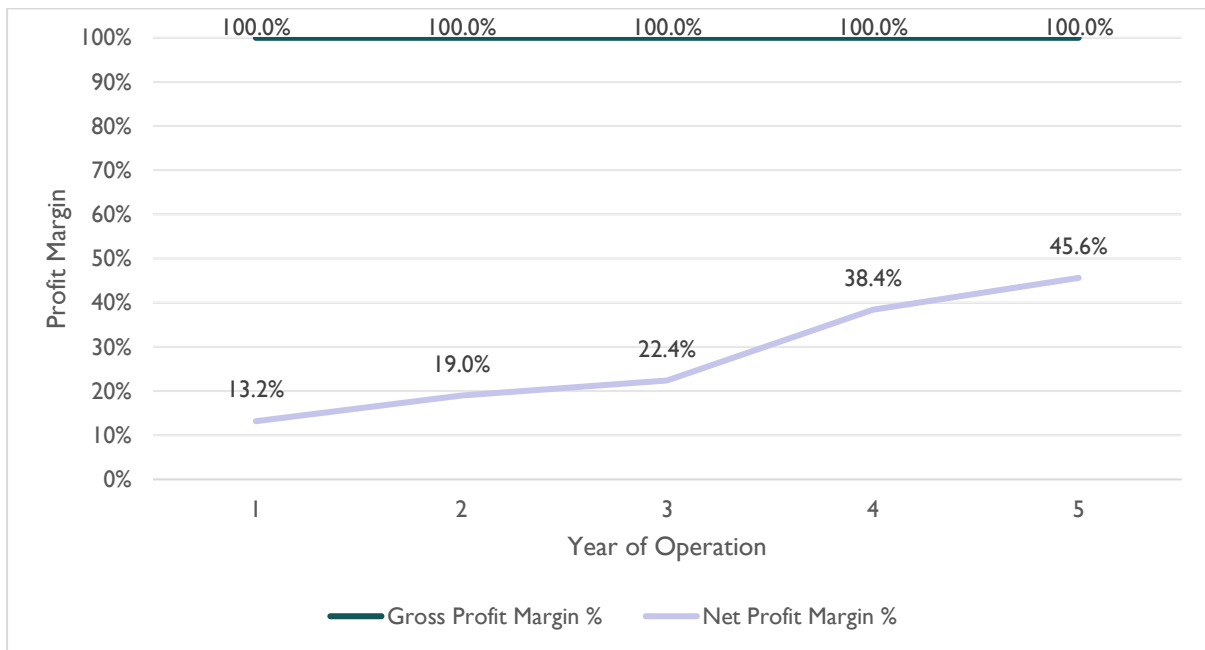


Figure 3: Gross vs Net Profit Margin

On the asset management side, the study shows that the return on investment will increase steadily from 10.0% in the first year of operation to 154.7% in the fifth year.

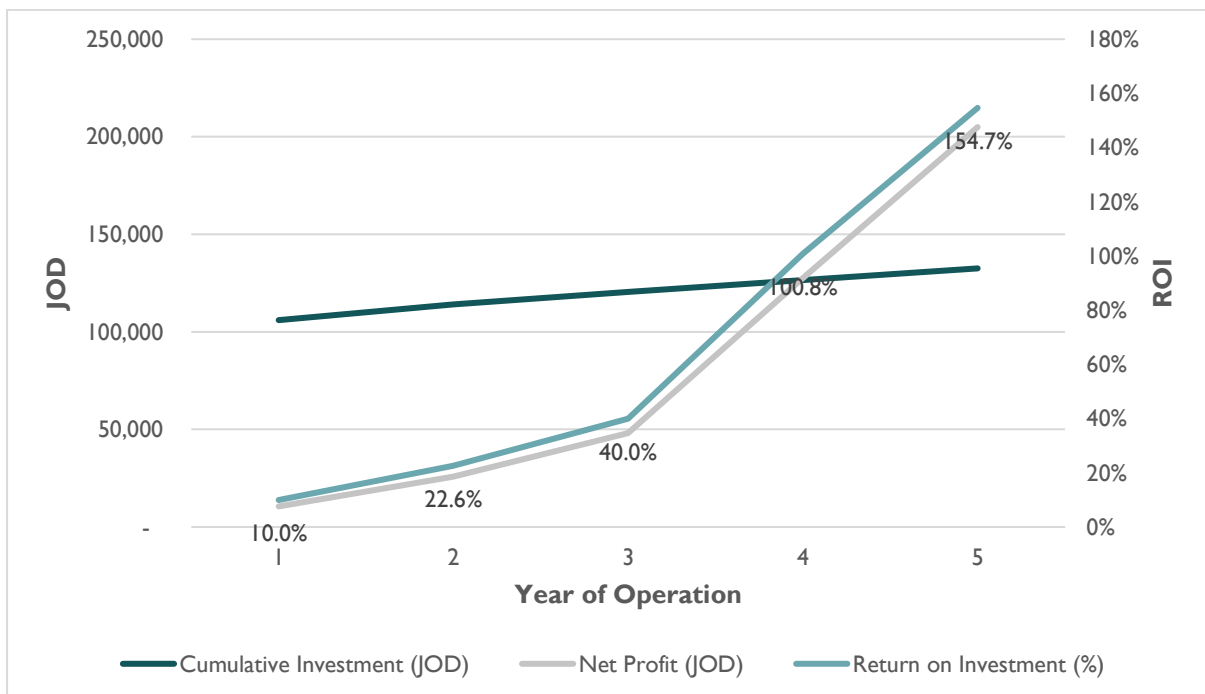


Figure 4: Return on Investment

## 5.2.4 Projected Free Cash Flow Statement

The table below demonstrates that the project can generate a positive free cash flow in the first year of operation, JOD 27,950. Furthermore, the free cash flow is expected to stay positive and increase gradually over the course of the study. By the end of your five, the projected free cash flow will reach JOD 207,196.

Table 9 : Free Cash Flow (FCF) Projection (JOD)

Description / Year	0	1	2	3	4	5
<b>Cash-In Flow</b>						
Net Profit		10,550	25,728	48,175	127,543	204,942
Depreciation		17,400	19,000	20,300	21,500	22,700
Injected Capital	106,020					
<b>Total Cash-In Flow (JOD)</b>	<b>106,020</b>	<b>27,950</b>	<b>44,728</b>	<b>68,475</b>	<b>149,043</b>	<b>227,642</b>
<b>Cash-Out Flow</b>						
Initial Cost	106,020		8,000	6,500	6,000	6,000
Changes in Working Capital			13,324	19,260	13,897	14,446
<b>Total Cash-Out Flow (JOD)</b>	<b>106,020</b>	<b>-</b>	<b>21,324</b>	<b>25,760</b>	<b>19,897</b>	<b>20,446</b>
<b>Free Cash Flow (JOD)</b>	<b>-</b>	<b>27,950</b>	<b>23,404</b>	<b>42,714</b>	<b>129,146</b>	<b>207,196</b>

Based on these results, the project's feasibility indicators demonstrate its viability, with a net present value of JOD 149,413.8 and a profitability index of 2.41. Moreover, the project's internal rate of return (IRR) is expected to be 44.98%, indicating feasibility is not sensitive to changes in market conditions.

## 5.3 Sensitivity Analysis

To assess the project's sensitivity to market conditions, a sensitivity analysis was conducted involving six unfavourable scenarios:

- Decrease projected revenues by 5% while keeping other variables constant.
- Decrease projected revenues by 10% while keeping other variables constant.
- Increase operational expenditure by 5% while keeping other variables constant.
- Increase operational expenditure by 10% while keeping other variables constant.
- Increase initial costs by 5% while keeping other variables constant.
- Increase initial costs by 10% while keeping other variables constant.

Table 10: Sensitivity analysis outcomes

Sensitivity Scenario	Net Present Value (NPV)	Profitability Index (PI)	Internal Rate of Return (IRR)
Original Case	149,414	2.41	44.98%
Drop in revenue by 5%	119,434	2.13	39.48%
Drop in revenue by 10%	89,454	1.84	33.70%
Increase in OpEx by 5%	132,711	2.24	41.65%
Increase in OpEx by 10%	116,008	2.08	38.30%
Increase in initial cost by 5%	144,113	2.29	42.93%
Increase in initial cost by 10%	138,812	2.19	41.02%

The sensitivity analysis shows that the project is feasible and not sensitive to unfavourable market conditions. The project's economic feasibility is strong and viable under all the above-mentioned scenarios. The drop in revenues has a more dramatic impact on the project viability than the increase in the OpEx or initial cost by the same magnitude. It is recommended that investors check and further study the market to ensure that the projected revenues are achievable within the thresholds of the proposed initial cost and operational expenditures.

Feasibility Indicators	
Net Present Value (NPV)	149,414
Profitability Index (PI)	2.41
Internal Rate of Return (IRR)	44.98%

## 6. Integration with Other Sectors

Partnership with Higher Education Institutions: Higher education institutions can be valuable partners in several ways. Universities and colleges can contribute to the development of advanced content and specialized masterclasses, drawing on their academic expertise. These institutions can also collaborate on research projects to assess the impact of ElevateEd's programs and identify areas for improvement. Additionally, higher education institutions can provide mentorship opportunities for K-12 students, helping them understand potential career paths and the skills needed for higher education and beyond. They may also be interested in creating their own masterclasses either for their own students or for K12 clients further positioning themselves as leaders in their fields.

Collaboration with the Healthcare and wellbeing Sector: ElevateEd's emphasis on mental health makes it an ideal candidate for collaboration with the healthcare sector. Integrating content on mental health awareness and coping strategies can be complemented by partnerships with mental health professionals and organizations. These collaborations can ensure that the content is accurate, up-to-date, and impactful. Furthermore, healthcare institutions can help in training educators and parents to recognize and address mental health issues among students, thereby creating a supportive learning environment.

Integration with Financial Institutions: Financial institutions can contribute to the scalability of ElevateEd financial literacy programs by partnering in the production of learning content. This would also help in increasing their brand awareness towards the younger generation. Integrating financial literacy modules into the application can equip students with essential money management skills, preparing them for future financial responsibilities. Financial institutions can also facilitate secure payment gateways for subscription services, ensuring smooth and reliable transactions.

Integration with the Technology Sector: By partnering with technology companies, ElevateEd can ensure the seamless delivery of its digital content. Collaborations with local and international tech firms can facilitate the development and maintenance of the application, ensuring it remains cutting-edge and user-friendly. For instance, partnerships with companies specializing in AI and machine learning can enhance the personalization features of ElevateEd, tailoring content to individual student needs more effectively. Moreover, tech companies can assist in expanding digital infrastructure in rural areas, thus supporting ElevateEd's goal of reaching underserved communities.

## 7. Entrepreneur Persona

The optimal entrepreneur for leading ElevateEd in Jordan combines several key attributes:

**Technical and Educational Knowledge:** The leader must understand K-12 education and edtech, including creating interactive content, using AI for personalized learning, gamification and integrating resources into a digital application. Proficiency in Arabic and English content is crucial for students in Jordan and the MENA region. Familiarity with edtech trends in MENA and the Jordanian market ensures ElevateEd's competitiveness. The leader must also understand power skills like critical thinking, problem-solving, sustainability, and mental health education. Knowledge of teaching methods, cognitive and socio-emotional development, and integrating 21st-century skills is essential. The leader should support educator development, parental engagement, and be aware of infrastructure and training challenges in Jordan's education system.

**Entrepreneurial Skills:** Strong business acumen is essential for navigating the complexities of launching and scaling an edtech company in Jordan. The leader should possess skills in strategic planning to set clear goals and define the company's direction. Expertise in market analysis, customer segmentation, and developing a diverse revenue model are crucial for ensuring financial sustainability. The leader should also excel in stakeholder management, forging partnerships with higher education institutions, healthcare providers, financial institutions, and technology companies to expand ElevateEd's reach and impact. Understanding the market dynamics and leveraging global trends in K-12 education technology will be vital for positioning ElevateEd successfully.

**Vision and Leadership:** The ability to inspire and lead a team towards a shared vision of innovative and accessible K-12 education is critical. Effective leadership involves building a strong organizational culture that values inclusivity, cultural relevance, and continuous improvement. The leader should foster teamwork, encourage innovation, and create an environment where creativity and collaboration thrive. They must also be adept at communicating ElevateEd's mission and impact to a wide range of stakeholders, including students, parents, educators, and potential investors. The leader should have a clear vision of how ElevateEd can address educational challenges in Jordan and prepare students for future success in a dynamic, globalized world.

## 8. Stakeholders

**Students and Parents:** Students are the primary beneficiaries of ElevateEd's educational content, while parents play a crucial role in facilitating and supporting their children's learning journey. Their engagement is critical for the application's success as they utilize its resources to enhance educational outcomes at home. Feedback from both students and parents will help in continuously improving the application's content and usability.

**Schools and educators:** these are essential users of ElevateEd's application, leveraging its resources for teaching and professional development. Schools collaborate with ElevateEd to integrate digital learning into their curriculum and extra-curricular programs, providing a blend of digital and traditional learning experiences. Their participation in pilot programs and research will help refine the application's features and content.



**Government and Educational Authorities:** Government agencies, particularly those involved in education, can facilitate widespread adoption, and provide funding opportunities. Collaboration with these bodies will ensure ElevateEd aligns with national and regional educational policies and objectives.

**NGOs and Community Organizations:** Non-governmental organizations and community groups focused on education are essential for reaching underserved populations. Their involvement will ensure equitable access to ElevateEd’s resources and help in community-driven educational projects. These organizations can also provide valuable feedback on the application’s effectiveness in different socio-economic contexts.

**Corporate and Private Sector:** Companies with CSR initiatives focused on education provide essential funding and resources. Professionals from various industries participate in mentoring programs, sharing their expertise and real-world experience with students, thus bridging the gap between education and the workforce. These partnerships help in the continuous improvement and scaling of ElevateEd.

## 9. Risk Assessment and Mitigation

Risk	Impact	Likelihood	Risk Mitigation Technique
Regulatory	ElevateEd must ensure compliance with privacy laws to maintain trust and credibility among students, parents, and educational institutions.	Moderate	Ensure compliance with privacy laws by updating the application regularly and implementing robust data protection measures. Conduct audits and provide transparency about data handling to maintain trust. Engage legal experts to navigate regulatory changes and adhere to international standards.
Operational	<p><b>Technical Stability:</b> Technical glitches, server downtime, or cybersecurity breaches can disrupt the learning experience and erode user confidence.</p> <p><b>Scalability Assurance:</b> The application must be able to accommodate a growing user base, scale infrastructure and resources accordingly, and maintain service quality without compromising performance or user experience.</p>	Low	<p>Implement a comprehensive IT management strategy that includes regular system maintenance, robust cybersecurity protocols, and continuous monitoring of technical performance. Develop a disaster recovery plan to address potential disruptions quickly and efficiently. Invest in scalable cloud infrastructure to ensure high availability and reliability and conduct routine stress tests to identify and rectify vulnerabilities.</p> <p>Plan for scalability by leveraging cloud services and modular architecture that can easily accommodate an increasing user base. Continuously monitor user growth and performance metrics to proactively scale infrastructure and resources. Ensure that the application's design and backend systems are optimized for scalability, maintaining service quality and user experience during expansion.</p>

Market	Adoption Challenges: Educators, parents, and students may be hesitant to embrace new educational technologies or approaches especially if they are extracurricular against a fee in an increasingly competitive market. ElevateEd must overcome adoption challenges by effectively communicating its value proposition, addressing concerns, and demonstrating tangible benefits in terms of student learning outcomes and skill development.	Moderate	Conduct targeted outreach and education campaigns to demonstrate the value proposition of ElevateEd. Provide free trials, pilot programs, and case studies showcasing the application's benefits. Engage early adopters as ambassadors to share positive experiences and build trust. Offer training and support to educators, parents, and students to ease the transition and address any concerns regarding new educational technologies.
Financial	Cost Management: ElevateEd must implement robust cost management strategies to optimize resource allocation and maximize financial efficiency. Content Creation is costly and is required for scaling so ElevateEd must be creative and efficient when generating content.	Moderate	Implement robust financial planning and budgeting processes to optimize resource allocation. Focus on creating high-quality, cost-effective content by leveraging partnerships, grants, and crowdsourcing where possible. Regularly review and adjust financial strategies to ensure sustainability.

ElevateEd is crucial for transforming K-12 education in Jordan and the MENA region, addressing the significant challenges of low academic performance, outdated curriculum, and inadequate teacher training at scale. It provides a comprehensive digital application with gamified and case-based learning, focusing on critical skills like Critical Thinking, Problem Solving, Sustainability, and Mental Health. The application's bilingual modules in Arabic and English ensure accessibility and relevance for students in Jordan and the MENA region. Given the rapid growth of the global edtech market, ElevateEd is well-positioned to deliver scalable educational solutions to a diverse range of students, families, and schools.

Despite challenges related to competition, regulatory compliance, operational stability, and market adoption, the benefits of ElevateEd's innovative approach outweigh these hurdles. The application's delivery of 21st-century skills learning content, combined with targeted partnerships with educational institutions, NGOs, and the private sector, positions it as a key resource for enhancing educational outcomes in Jordan and the MENA region. By leveraging strategic planning, innovation, robust financial management, and continuous stakeholder engagement, ElevateEd can effectively navigate these challenges and drive significant improvements in the Jordanian education system.

## 10. Conclusion

In conclusion, the project demonstrates promising feasibility indicators based on the assumptions formed during the development of this study. Nonetheless, entrepreneurs are advised to conduct additional analysis on projected demand, initial costs, and operational expenses to mitigate potential risks associated with adverse market conditions that could jeopardize its validity.

## **Disclaimer**

The Ministry of Digital Economy and Entrepreneurship (MoDEE) and Istadama Consulting have prepared this report using information supplied by its advisors as well as information available in the public domain.

The report's contents have not been verified and its analysis does not purport to be all-inclusive. MoDEE and Istadama Consulting expressly disclaim any and all liability for any representation, warranty, or undertaking, or omission expressed or implied, which is or will be given in relation to the truth, accuracy, or completeness of this report, and no representation or liability is or will be accepted by MoDEE or Istadama Consulting as to the achievement or reasonableness of future projections or the assumptions underlying them, management targets, valuations, opinions, prospects or returns if any.

Founders and investors considering this project are advised to conduct further analysis on projected adoption rates, development costs, and ongoing operational expenses. This additional scrutiny will help mitigate potential risks related to technology challenges, changes in regulations, market penetration, and competitive pressures.

The report does not constitute any form of commitment or recommendation on the part of MoDEE or Istadama Consulting.