



compass

Executive Summary



Group 9

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Overview

Compass is designed to aid immigrants in the United States by streamlining their process of assimilation into a new living environment. We aim to do so by streamlining social, legal, and translation services in an all-in-one application.

Problem Summary

As the flow of immigrants to the US increases every year, immigrants continue to face a series of challenges. One challenge is that it is extremely hard to come to a new country for the first time, since there are a plethora of cultural differences. Sometimes, people cannot find a person to talk to about such problems and it makes the process of adaptation even worse. Moreover, finding people from your cultural background is also a challenging process. Mentality differences also play a big role in the process of assimilation. There are a lot of different things between countries and something can be inappropriate in one, while being a norm in the other. For example, jokes in one place can be an everyday entertainment but, on the other hand, can offend people in another country. An especially big problem is the difference in laws. Laws vary vastly from country to country and it is impossible to know all the regulations and rules in each place. And lastly, the largest problem that finishes all three problems that immigrants have is that it is impossible to find help in one place. We define accessibility as easily obtainable information that saves both time and money for the individual. All the information that immigrants need to know is not easily accessible and people cannot find help straight after arrival even if they need it.

Solution Summary

In light of these issues and the many cultural barriers that immigrants will imminently have to face while moving to a different country, we decided to reconfigure the entire knowledge transfer process. The focus of the app is to make all of the resources that immigrants would need to easily accessible and combined on one platform. The MVP will have four modalities: the community tab, the translate tab, the legal tab, and the resources tab. The community tab will use a geolocation feature to help users locate communities in the area they will be moving to and give them a chance to connect with others. The user can choose to be placed in group chats, and schedule to attend any cultural events that the community may be participating in. In regards to the translate tab, we will only be focusing more extensively on Spanish right now due to beta testing, but when we expand, we will be adding more languages for our users. As for the legal tab, we will be working with attorneys to smooth out legal facets. The final tab will also be using the geolocation feature to provide a map for users to find local markets, churches, and any other place nearby that can help with their transition process.

We will generate revenue by providing users with a choice to watch ads in order to unlock additional features on the app. These features will be games, quizzes, and other community-based activities in the community tab that will help them build more meaningful connections with other users. If they decide that they like these features, there will be a paid subscription service to extend these features.

To address the three overarching problems that we highlighted, our solution aims to tackle the problems related to culture, law, and accessibility.

In terms of culture, since there is no current designated platform at UCSD for international students to find their own community, our MVP will be designed to help our users find others from their native culture as well as provide them with opportunities to help with the transition to another culture. With our community building features, users will be able to join group chats with others and make their transition to UCSD smoother. The growth of our app in the future will provide students at every UC school and potentially every university in the United States to have a designated platform that puts emphasis on culture, community, and transition. The second aspect that our solution addresses is the legality aspect. We plan on partnering with immigration attorneys to work out any legal issues that users might run into and we will provide information and resources to all of the documentation an immigrant may need. Whether it be citizenship status, work visas, passports, or social security numbers, the information will all be located in this tab so that users don't have to worry about doing the research themselves and potentially finding misinformation or scams. The emphasis here is to ensure trust with our users to improve word of mouth advertisement and to improve user experience. The third problem that our app aims to address is accessibility. The offering that will specifically be made accessible to our users is a platform containing all of the resources that our users might need in one place. These resources already exist elsewhere, but having them all in one place is our point of differentiation.

Competitors

As an accessible platform, we are creating a mobile app, hence competing with other mobile apps. Some of the competitors address only one problem, disregarding the others. As an example, "Meetup" and "Immi Go, Immigration Service" focus on a cultural aspect of the problem. They have information about meetings for different groups of people, both from your culture and from other cultures as well.

In addition, some apps are addressing only the legal part of the problem. As an example, "Atlys" and "Lawfully USCIS/NVC CaseTracker" only utilize legal services, since they have information about laws and regulations that immigrants might need and also they have help options from legal organizations.

There are a lot of companies that address some aspects of our problem but they only function as websites. This lacks functionality, since their websites are not optimized for mobile usage and you have to use a laptop/desktop to comfortably use those. Since we're aiming for accessibility both in terms of information and in terms of usage, we're aiming towards the mobile app that is easier for most of the users.

As we are solving all the problems listed, we have only one competitor that is trying to achieve the same goal. However, this app is not popular, due to lack of advertisement. Insufficient marketing made it hard for them to launch and get users and that is the reason why we want to focus so much on our marketing strategy. Moreover, they are not utilizing their users and they are not informed about local events happening for different cultures and people and therefore, they are a static app that just provides you with a list of places and organizations that doesn't attract users.

Trends

This is the perfect time to target the growing immigrant market in the US and offer a service to those who need assistance in getting situated within their new environment. As the market continues to expand at a record of more than 1 million immigrants as of 2021 and adds onto the current immigrant population in the US, which is already a population of 46.6 million people. There is no limit to the amount of people our application can reach and the amount of popularity that it will have in the years to come.

Another trend that prompts us to launch is that mobile app usage increased by 40% during the pandemic. This is an indicator for us to take advantage of this opportunity, since the amount of users on mobile apps increased by such a huge amount and we need to be prepared to deliver this service to them at the convenience of their fingertips and quickly. This will then ensure our application is the most effective tool to help new immigrant users during the transition into a technologically awakening society. Furthermore, the current size of the immigration legal services market is already at a high of \$6.2 billion dollars as of 2022. This means that there is a huge opportunity to tap into and add more value to this already booming market, since we are a value chain business. This will not only benefit our users and company, but it will also benefit our investors and shows that there is a stable demand for these services.

Lastly, there was a 68% increase of new international student enrollment in 2022. This gives us further insight into the progression of immigration into the US and provides evidence of a continual and growing immigrant population for our application to service. According to these trends, we cannot miss the window of opportunity to release our app at this time, into a rapidly evolving economy that is going to continue heading in the direction of technological innovation. By implementing this service to properly acclimate immigrants into a widely accessible application, we will be able to add value, convenience, and community to our customers' lives.

Market Opportunities

For our market opportunity, we have to address our total addressable market (TAM), serviceable obtainable market (SOM), and serviceable addressable market (SAM). Starting at the top, for our total addressable market, we obviously hope to be in the hands of all immigrants that step foot in the US, this being over 45 million people. This is of course contingent on them having smartphone access, which today well over 90% do. Now, with our Serviceable Obtainable Market, we chose to narrow our reach down from all recent immigrants, to only immigrant groups that speak the top 5 most spoken languages by US immigrants, those being Spanish, Mandarin, Tagalog, Vietnamese, and French. With just these five most commonly spoken languages, we are able to reach nearly 70% of the US immigrant population. For our Service Addressable Market, we niche down one step further. Here, we have decided that in these early stages, our serviceable actionable market will be recent and incoming spanish speaking Immigrants to San Diego. We narrowed even more specifically to Mexican immigrants, as they are 61% of Spanish speakers here. With such a narrowed down market, we're able to see just how realistic and manageable these customers are to acquire.

Acquiring Customers

We have identified our early customers to be new immigrants who have recently arrived in San Diego between the ages of 18 to 64, as well as those who are still in Mexico but are interested in immigration. Our customer acquisition channels will include advertisements on Facebook, app-store promotion, and word of mouth referrals from existing customers, as we find these three channels to be most optimal for our ideal customers.

Unit Economics

We will rely on Facebook Advertising and IOS App Store promotion as our two primary acquisition channels. Breaking down the data, in 2021, the average cost per install via Facebook Ads to free apps was \$1.12 worldwide. In the Big 4, however, this number ballooned up to \$5.16, a significantly more expensive CPI. With this data, we have made the decision to focus a significant portion of our ad spend towards incoming immigrants, coming from Mexico, as the average CPI is significantly less expensive. With this increased spending in Mexico, we believe a cost-per-install of \$1.20 is a realistic goal. With this comes the argument that “cheaper traffic brings lower quality users,” and this we acknowledge. However, we argue that that is acceptable, as our goal here is volume. Increased volume to a high ticket offer, despite a lower conversion rate, still results in high average revenue per user. Relying on the assumptions that our offers will convert at 1.5% and 3% respectively, our average revenue per user is projected to be \$3.21 per user. Hence, at our goal CPI cost of \$1.20, each user represents an average of \$2.01 in profit.

Roadmap

For the first phase in our team's strategy we are going to release a prototype of our application into the market in order to start gaining momentum and getting more users on our platform. With the new data and feedback from those customers after running multiple tests and updates, we will then be able to create an even further developed version of the application that will be launched during the second phase of our plan. During this second phase, we will be introducing a premium subscription to bring even more revenue to our company. This premium subscription will have exclusive access to additional features including personalized legal planning, a community building interface, and quizzes and games not offered on the free version of our app. For phase three, we will establish legal partnerships with various firms in order to better assist our users as well as generate an additional stream of revenue from the referral process. By doing so, we will have created an even stronger revenue building system for our platform and ensure our company's success and continued growth. Finally in the fourth phase, we will continue further development on the application and run periodic updates to add new features into our system. We also expect to see even more opportunities and revenue down the line when we add different languages on the app once we establish a good foundation for our business.

Traction

Here is an overview of our company's formation to our future goals listed in our roadmap. In our formation stage, the team came together in October of 2022 with the similarity of either being a student whose parents are immigrants or are here at UCSD with a student visa. We collaborated and brainstormed potential solutions relating to our common backgrounds and came to the agreement of developing Compass, an application to aid new immigrants to the United States through the assimilation process. From that passion, we decided to conduct further market research into current immigration trends and identified our first target market, which we ultimately decided on immigrants from Mexico to San Diego, based on our own location. By November 2022, the MVP was developed through tools such as figma, creating an interactive prototype we could use for beta testing.

Our Year 1 continues with the goal to attain funding after presenting to our investors. We have taken the feedback from our advisor and improved both our product and pitch deck. After presenting to our advisors and angel investors in early December 2022, we desire to utilize the given funding to soft launch our beta application to our target market in the coming year. In Year 2, we plan on using the first 11 months to continue testing our product with voluntary users to iterate on the services provided and test on long-term retention of using the app. In December 2023, we will use the money requested from our investors to fully launch our beta with \$10,200, as well as utilizing \$30,000 for initial advertising campaigns. In Year 3, we will launch our paid legal feature by November 2024, which is also part of our subscription business model to generate revenue for our company. Through the rest of 2024 and onward into 2025, we plan to continue client surveying and testing, establish more partnerships with legal entities, and introduce the existing features for more demographics of immigrants to diversify and increase our market.

Financials

We expect a return of \$321,000 on an initial \$150,000 investment. As shown in our detailed 3 year financial forecasting, we project a negative return year one, instead electing to focus on growing a loyal, trusting customer base prior to releasing any revenue driving features. In year two, we plan on the launch of our first revenue channel, a \$12.99/month subscription service, pushing our user AOV to \$38.97 with 3 month LTV on the offer. This pushes us to profitability, grossing over \$43,000 in revenue that year. In year three, we plan on launching our legal-leads partner program, where we intend on selling warm, nurtured leads to legal firms in return for the frontend, initial consultation fee. This is an appealing offer for legal firms, as the average immigration process costs between \$3,000 and \$8,000, and they are allowed to keep 100% of backend revenue. This boosts our revenue over 500% year-over-year, and allows us to profit over \$200,000 on \$268,000, an extremely healthy 65% margin.

Key Next Steps

In these last ten weeks, we've built working prototypes of our system, conducted countless market research, and adapted to any user feedback we've received. Each and every one of us has a personal connection and passion for our product, and the immigrant experience, with every one of us being either an immigrant ourselves, or first generation Americans. What has been built here at Compass is truly one of a kind, and solves problems at a speed and simplicity that is not currently offered in the marketplace. We are asking for an investment of \$150k. We plan on spending \$120k of that funding strictly on advertising, with the rest going to development. This initial 150k investment is projected to bring us our first 100k users within three years, and return over over \$320,000 in revenue.

Conclusion

In a nation established on the grounds of liberty and diversity, we aim to honor the melting pot identity. Our application is a convenient and cost-efficient solution that addresses the immediate and long term difficulties immigrants run into by having all social, legal, and translational services in one location. We believe that our application will not only benefit those who utilize our services, but ultimately create an interconnected community of all kinds of people.