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# HowSocial.RU

## *Business Plan*



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## **1. Introduction to Plan**

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This business plan relates to company HowSocial.RU which was established in 2008 in Athens and is engaged in the production and publication of metrics used to rank the online social activity of a number of Internet Services' users.

The purpose of this plan is to help raise the necessary funds to support the startup cost of gathering the raw data from the ever-expanding list of targeted services, develop and implement the algorithms that produce the Social Impact Rankings and sustain the company until its user-base and clientele produce enough income for self-sustainability.

This business plan was compiled internally based on data and feedback from every member of the team during Athens Startup Weekend.

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For any matter regarding this business plan please contact [info@HowSocial.RU](mailto:info@HowSocial.RU).

## 2. Summary of Plan

### Mission, Key Strategies & Goals

HowSocial.RU will set the standards in Social Internet Services metrics. Its Social Impact indexes will best describe the impact of people's and other entities' Internet Presence in a meaningful way for both the individual/entity and marketers and other interested parties. These metrics will first cover the major social networks and later all networks with significant userbase.

### Present Status

At launch on November 23, 2008, the database will already include several thousand accounts from Twitter, Friendfeed and Blogs. The data count is admittedly low due to services limitations that keep the current speed of data accumulation to 200-300 accounts per server used per Service crawled.

### Proposed Offerings

- Individual Social Impact, free of charge for individuals
- Social Impact Reports, reporting on all the Social Internet Services accounts, for a fee
- Extended Social Impact Reports, the above, plus the customer gets to determine indexes and other filtering of his own

### Proposed Markets

The main target markets are the users of the Internet Social Services themselves and marketers who promote them and allocate social network advertisement budgets.

### Marketing & Sales Plans

... will commence after the data set is complete.

### Funding Proposals

Years to end xxMonth:	2008	2009
	December	All year
Salaries	\$6,000	\$108,000
Server Hosting	\$14,000	\$3,600
Database	\$10	\$120
<b>Total Costs</b>	<b>\$20,010</b>	<b>\$111,720</b>

### Conclusion

HowSocial.RU owns a unique idea and the know how to materialize it. As someone will sometime cover this market need, it's better done sooner than later.

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## **3. Mission, Strategies etc.**

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### **3.1. Vision**

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HowSocial.RU will set the standards in Social Internet Services metrics. It will be profitable in 6 to 9 months. As profits increase, so will the development team and the products. As this market is relatively new, the company will soon be a market leader, serving all social networks and most of their users, especially the active ones. Marketers will count on its innovative metrics to promote their clients and their products. The expanding community of the application's users will make it more attractive thus leading to a circle of self endorsement and expansion.

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### **3.2. Mission**

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The mission of HowSocial.RU is to create a series of ranking metrics that will best describe the impact of people's and other entities' Internet Presence in a meaningful way for both the individual/entity and marketers and other interested parties. The metrics will be made available to end users through a web-based application and/or distributed regularly through email or other means. Standard Business customers will choose from a list of predesigned reports. Premium Business customers get reports according to their own custom needs. Down the road, these metrics will expand to cover all Social networks and the vast majority of users individually.

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### **3.3. Values**

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HowSocial.RU commits to

- Diachronically provide consistently accurate data translated to meaningful Social Impact ranking metrics for its clients and community of users. In good faith, some metrics' algorithms will be made public.
- Make Communication and (business) relations to its community and customers transparent and trustworthy

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### **3.4. Objectives**

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HowSocial.RU intends to make a profit and position itself as a market leader in

- Constant accumulation of accurate raw data concerning Social Content production in the Internet

- Creation and maintenance of historical ranking indexes and metrics based on the above data, tailored to serve the needs of the entities that produce them and the marketers who need to address them

### 3.5. SWOTs

Internal	External
<p><u>Strengths:</u></p> <ul style="list-style-type: none"> <li>• Strong, knowledgeable team</li> <li>• Solid understanding of the market</li> <li>• Deep knowledge of the medium and its technicalities</li> <li>• Low initial overhead in terms of offices &amp; equipment, as this is an online business</li> </ul>	<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> <li>• Virgin, expanding market</li> <li>• Advertisements &amp; Internet promotion is on the rise and will remain such</li> </ul>
<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> <li>• Lack of funding</li> <li>•</li> </ul>	<p><u>Threats:</u></p> <ul style="list-style-type: none"> <li>• Slow market adoption</li> <li>• Increasing maintenance costs as more services are added and data expands</li> </ul>

The danger of the Increased maintenance costs mentioned above can only be a real danger only if the market adoption proves to be really slow. Adequate funding can be used to awaken the market and promote HowSocial.RU services to a wide range of prospective clients and the adopting individuals that will form the end-users community in time.

### 3.6. Strategies

The following critical strategies will be pursued immediately:

1. Expansion of the Social Internet Services covered by the Ranking System
2. Availability of already gathered data and available Ranking Metrics
3. Pursue of publicity, initially targeting the people that will become the community

4. Approach of marketers to promote the products and add the Rankin System Service to their portfolios
5. Announcement of the complete range of products and their pricing

The following important strategies will also be followed as soon as the data sample and corresponding Ranking Metrics become large enough:

1. Publication of Preliminary reports and sampling of the product line
2. Promotion in the Internet Social Services covered

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### **3.7. Goals/Targets**

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HowSocial.RU aims to the following short term targets:

- Be profitable in 6-9 months time.
- Secure nr.1 position and about 50% of the Social Internet Presence Ranking Metrics market by the end of the first operating year
- Cover all major Social Internet Networks by the end of the first operating year

## 4. Present Status

### 4.1. Background

The HowSocial.RU team was formed within Athens Startup Weekend in November 21, 2008, after George Kasselakis pitched the original idea.

It consists (alphabetically) of Dimitris Athanasiadis (application developer), Alexandros Georgiadis (researcher), George Kasselakis (application developer), Vicki Kolovou (web developer), Efthimios Mpothos (analyst) and George Tziralis (analyst).

The idea was immediately put to work and over the weekend produced the HowSocial.RU site, crawlers and this Business Plan.

### 4.2. Progress to Date

To serve the purpose of creating, maintaining and distributing the ranking metrics, an infrastructure has been created and will be maintained and expanded accordingly:

1. A number of Internet servers are used to accumulate and hold primary data about the Online Presence and Impact of individuals or other entities in various Social Services in the Internet. Crawlers have been launched that gather raw data from the followed Internet Social Services using their respective APIs and store it in the database.
2. Scripts use these data to produce the various Ranking indexes and store the results in the database where they are kept with their history. The site <http://HowSocial.RU> is the public point of presence, holding all relevant information and the B2B & B2C interfaces.
3. HowSocial.RU has already established its Internet presence by acquiring the homonym domain name. A beta version of the corporate site is online, while the crawlers that fill the database are hard at work in another site (for security and performance reasons) gathering raw, fundamental data.
4. The site already hosts the front end of the application which currently covers an introductory number of Internet Social Service Networks for which metrics can be returned to visiting users. Due to the low percentage of gathered data so far, results may be slow for accounts that were not crawled yet. These delays will go away when this percentage improves.
5. The company's online presence is complemented by accounts in all major online social networks like FaceBook, Twitter, FriendFeed, Plurk, LifeStream, MySpace etc. that will protect its name, add to its value, develop and market the brand.

At launch on November 23, 2008, the database will already include several thousand accounts from Twitter, Friendfeed and Blogs. The data count is admittedly low due to

services limitations that keep the current speed of data accumulation to 200-300 accounts per server used per Service crawled.

**4.2.1. Sales & Marketing**

Due to HowSocial.RU having been conceived and launched on a weekend there are no sales yet.

Marketing has been initiated through microblogging and among the Athens Startup Weekend participants.

**4.2.2. R&D and Finances**

The cost of R&D as well as the main resources so far are described in the table below. Exact Research cost is difficult to estimate at this point, as all researchers have been active in the area for long, so they carry a lot of know how and market knowledge that can't be enumerated.

<b>Project</b>	<b>Date Started</b>	<b>% Completed</b>	<b>Main Resources</b>	<b>Expenditure to Date (\$000)</b>
Twitter crawler	22/11/2008	<1%	1 server 1 developer	\$2.33 2.5 man days
Friendfeed crawler	22/11/2008	<1%	1 server 1 developer	\$2.33 2.5 man days
Blogs crawler	22/11/2008	<1%	1 server 1 developer	\$2.33 2.5 man days
Internet Presence with accounts in major Services	22/11/2008	80%	1 person	1 man hour
Domain registration			1 person	\$23,6 0.5 man hours
Internet Site		Early Beta version	1 server 1 web developer	\$4.6 2 man days
Competition Research	21/11/2008	80%	6 persons	6 man hours

## 5. Product/Service Descriptions

### 5.1. General Descriptions

HowSocial.RU sets out to answer questions revolving around the Social Impact performance of people and entities in the Social Internet Services spectrum. This question is answered for each supported service and, for the first time, for all of them collectively. The resulting set of Ranking Metrics can also be visualized and represented by a single Social Index (SI) which provides the Total Social impact of a person or entity.

### 5.2. Key Features

The first thing anyone may notice when visiting a Social Site is the number of friends, followers, the size of his network. While important, those numbers don't tell the whole story. HowSocial.RU believes that in the quest to determine the social impact of a Social Entity (usually a person but also a company or product) you can't get an answer from a single Social Internet Service's metrics. Moreover, what's needed to get an accurate answer to this core question goes far beyond rough/rudimentary numbers. After applying our internally-developed specially devised algorithms to the primary data available through any Social Network's API the produced Social Ranking Metrics answer the problem and fill the value-added-metrics void.

The entire line of products is based on a set of Social Ranking indexes (SI) for each covered Social Internet Network Service covered plus Combined Social Ranking indexes that measure all such services collectively providing your very own Social Impact (CoSI) across the web.

### 5.3. Main Benefits

The main benefit of such metrics is that they are directly comparable to each other and diachronically valuable without the need for constant recalculations. To someone's "global" impact metric and rank (CoSI), of equal or even greater value is the impact across a specific discipline, topic or set of users. HowSocial.RU addresses this need by providing the customer with such analytical reports for various areas and sets of users, on a periodic basis.

Customers will find the most insightful metrics and trends around, not about products or sites themselves but concerning people, the building block of the social graph. They will gain insights not available before which accurately quantify the impact and assess the real viral factor of the targeted persons or entities.

Customers who are interested in quantifying the social rank and impact of a specific set of users will be given the ability to submit a data set of usernames of focus across

the covered services to get a report including metrics about their footprint on the social web, next to their rank according to their accurate impact factor. This stands as our premium service and you may request for more info and pricing details now.

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## **5.4. Products & Pricing Plans**

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- Individual Social Impact

This set of metrics is provided free of charge for individuals directly from the HowSocial.RU web site. It is a valuable and fun tool for different uses from different perspectives. It includes the Social Impact (SI) index for any of the supported Internet Social Services you want. If you open an account and register all your social services you will also get your Collective Social Impact index (CoSI).

- Social Impact Reports

This is the service that provides SI and CoSI reporting on all the Social Internet Services account in the HowSocial.RU database for professionals. The customer chooses from a list of precompiled reports, for the data set of his interest. Pricing depends on the type and size of the report. After determining the report specifics it will typically be securely transmitted to the customer and will also be available via the B2B section of the HowSocial.RU site.

- Extended Social Impact Reports

Everything about Social Impact Reports also applies here. Additionally, the customer gets to determine indexes of his own to include and add keywords and other filtering to his data set. Pricing is based on each case.

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## **5.5. Competitors' Offerings**

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Preliminary research shows no comparative offerings from any competitor, not even on a single-service basis.

## 6. Profiles of Target Markets

The main target markets are the users of the Internet Social Services themselves and marketers who promote them and allocate social network advertisement budgets.

### 6.1. Review of Competition

The competition so far comprises of the following Internet Services which offer minimal added value to the raw data offered by the platforms APIs:

- grader.com

Offers various metrics about your blog/page

- socialrank.com

It is the alltop for blogs

- twitterrank

It counts @replies based on some assumptions

- twitter grader

It provides the number of followers you have, the power of this network of followers, the pace of your updates, the completeness of the profile and a few more

- twinfluence

It calculates velocity, social capital, and centralization. These figures do not really make sense without additional context.

- twitterposter.com

Reports only the number of followers

- tweetstats.com

Only offers historical stats per person over times of day and months

- twitterholic.com

Only reports followers

- ffholic.com

Reports Most Discussed Entries, Most Liked and Most Commented [Entries](#), [Videos](#), [Photos](#) & [Music](#), Most Popular and Most Active: [Users](#) & [Rooms](#)

### 6.2. Customers/Users

The customers of HowSocial.RU are the entities that are measured and marketers who need the data for promotion purposes and advertisement budget allocation.

## 7. Marketing

Immediate Marketing will be based on the user base which is expected to form a vibrant community. As the metrics are really useful, word of mouth (WoM) and (especially) blog adoption is expected to work extensively to create the necessary buzz.

Advertisement of HowSocial.RU on the supported services will follow completion of data accumulation which is expected to last one month. Initial cost is expected to be in the range of \$20 per service per day, amounting to a total of \$80 per day for the major platforms Facebook, MySpace, LinkedIn and blogs. A 10-day campaign will cost around \$800.

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### 7.1. Market Share Projections

As the idea of introducing meaningful indexes instead of raw data is new to the Social Internet Services market, initial share will be close to 100%. This is especially true in the Combined Services Indexes, where no such service exists yet.

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### 7.2. Worst Case Scenario

Assuminig no sales (no customers and no advertisements) for the first year, the total operational cost will need to come from the initial investment

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## 8. Technology and R&D

### 8.1. Overview of Technology

- Internally developed crawlers gather primary data using the Social Internet Services' APIs and store them in the database.
- Then scripts run mathematical algorithms against the primary data and produce the Ranking Metrics which are in turn stored in the database.
- An internet site hosts the front end of a search engine that delivers single-account Ranking Metrics from the database on end-user demand
- The same site hosts the B2B section where clients' requests are submitted and separate scripts produce and return the relevant reports
- Current rate of crawling is 200-300 accounts per Service per server per hour. This is expected to improve after communicating with the Services

### 8.2. R&D Plans

The main R&D plan is to cover the most Social Internet Services possible as fast as possible, to achieve completeness in HowSocial.RU offerings. The major social networks (Twitter, Friendfeed, Facebook, MySpace, LinkedIn etc) come first and others will follow

### 8.3. R&D Resources

The R&D consists of two Data Miners, two software developers, one web developer and one researcher.

### 8.4. R&D Expense Projections

R&D expenses are under study. Provision of meaningful Ranking metrics will be crucial to the business and the key competitive advantage of the company.

## 9. Operational Plans

### 9.1. Locations & Facilities

The operation of HowSocial.RU is entirely Internet-based. The communication, development and other processes run from the base of each individual member of the company.

### 9.2. Operating Methods/Procedures

Provided adequate funding is secured, the first month of operation will go to completing the data collection for the major platforms (Facebook, MySpace, LinkedIn, Twitter, FriendFeed, blogs etc.).

Partners & employers will work on their own space with their own equipment, thus minimizing operating costs to their salaries.

### 9.3. Operating Cost Projections

The company is Internet-based and as such it has a minimal need for tangible goods. Due to the nature of the job, every employee can work at home with his own equipment and operating costs.

Therefore, the main operating cost of the company equals the salaries of the employees plus the cost of hosting.

Years to end xxMonth:	2008	2009
	December	All year
Salaries	\$6,000	\$108,000
Server Hosting	\$14,000	\$3,600
Database	\$10	\$120
<b>Total Costs</b>	<b>\$20,010</b>	<b>\$111,720</b>

## 10. Financial Projections

### 10.1.Key Assumptions

The main assumption in calculating operating cost is that no offices, utilities or other overhead will be used for the first 13 months of operation (1 month for data gathering and 12 months of operation after full products availability). The only reason this assumption will fail is because of earlier than expected growth.

Years to end xxMonth:	2008	2009
	December	All year
Salaries breakdown (all salaries calculated at \$3.000/month):	\$6,000	\$108,000
1 application developer	50%	30%
1 web developer	50%	50%
1 analyst	25%	20%
1 marketing	50%	100%
1 sales & PR	25%	100%
Server Hosting breakdown (servers are calculated at \$70 per month and Database at \$10 per month):	\$14,010	\$3,720
Servers	200	4
Database	1	1
<b>Total Costs</b>	<b>\$20,000</b>	<b>\$111,600</b>

### 10.2.Income (P&L) Projections

Income will come from

- Product Sales
- Advertisements on the company's site

At this time pricing and expected sales are not yet available.

### 10.3.Cash Flow Projections

Cash flow projections are not available at this time

## 11. Funding

Funding is calculated to cover the worst case scenario which is no income for the first month of operation until the products are available and for 12 months of normal operation and expansion after that.

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## **12. Conclusion**

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HowSocial.RU will offer a unique, innovative cross-Social-platforms product that will change the way we see Social Internet Services. The costs associated with the collection of the related data, while not for the faint-hearted, is of no significance in relation to the market it addresses. This is a much needed service and it is only a matter of time before this need is taken care of.