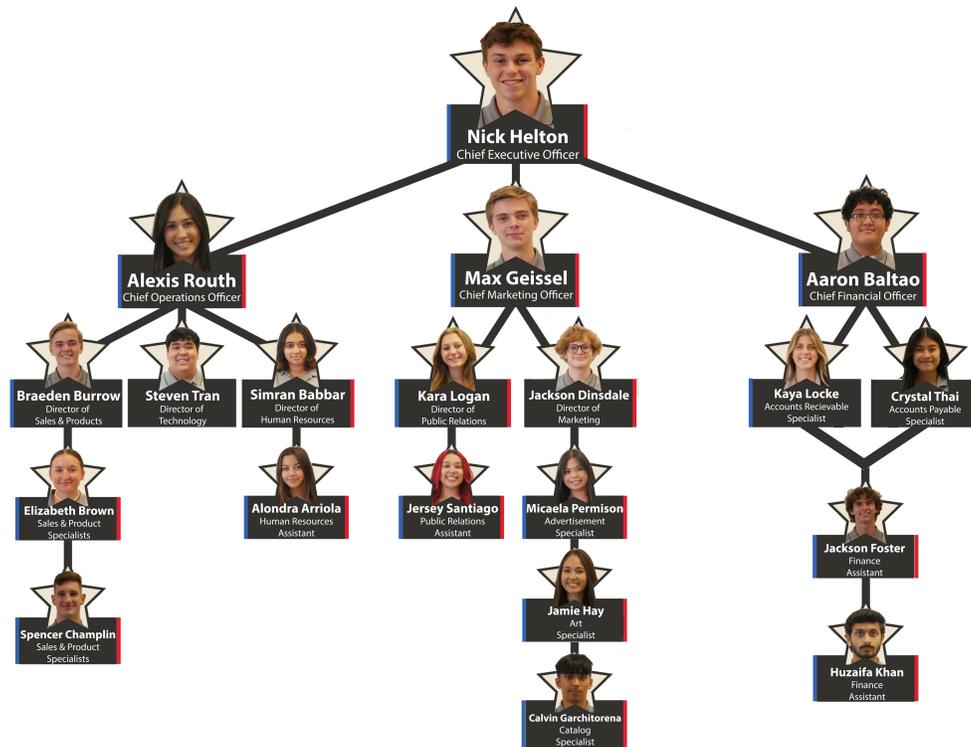




Business Plan Summary

About the Business

MiddleGround provides young individuals with the necessary tools to understand U.S. government and politics while providing an engaging community for civil discourse. **MiddleGround** was founded in the heart of the Central Valley in Bakersfield, California. The firm is part of the Information Industry and was officially created in October 2021. The company provides a platform that acts as an educational tool for young people to learn more about U.S. government and politics. The **MiddleGround** app is designed for young people using short, engaging videos and a social media component. In addition to the app, the company also sells a variety of products such as hats, shirts, and stickers, all inspired by the **MiddleGround** brand. **MiddleGround** stands out among competitors as the only firm focused on delivering political education to an underserved market. **MiddleGround** incorporated as an S-Corporation upon its founding due to the significant financial tax advantages it provides for start-ups with no corporate income tax and income passing directly to shareholders. These savings will allow **MiddleGround** to reinvest profits and focus on growing the business by adding server space and increasing the marketing budget.



Mission Statement

MiddleGround's mission is to inform and educate young people about U.S government and Politics while providing a community for civil discourse.

Business Rationale

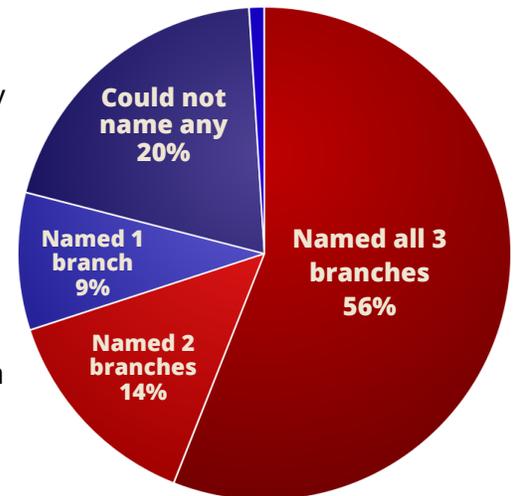
Problem Statement

According to a study done by the Institute of Politics at Harvard Kennedy School, participation among young people in politics (aged 18-29), increased by 50% from 2009 to 2020.¹ Despite this, in 2021 only around half of Americans can correctly identify the three branches of the U.S. government, and only around 1 in 3 know the term lengths of senators and representatives.² As more individuals, predominantly young people, begin to get more involved in politics, having a basic understanding of how the U.S. government and political system works and knowledge of current issues is crucial. With the rise of the internet and social media, less reliable information is being shared at a rapid rate, which has accelerated the divide in U.S. politics and has left many young individuals confused and uninformed.

Solution Statement

In order to effectively educate young people on politics and motivate them to continue to learn, the information must be presented using modern tools. Whether it's as simple as understanding the two houses of Congress or learning more about any political issue, **MiddleGround** aims to provide an engaging way for young people to learn. The **MiddleGround** app features short-form videos to retain the attention of a younger audience while explaining various governmental and political topics in the United States. This includes videos about topics such as the Electoral College and the Supreme Court, as well as more current issues like the infrastructure bill and the national debt limit. In the news section, users are also provided with information on a variety of political topics without partisan conclusions. This allows users to comprehend issues that are commonly talked about on the news and form their own opinions. Finally, the app offers a community that allows users to engage in civil discussion. By offering information from a variety of perspectives, users can further their knowledge on certain subjects, discuss political issues with peers, and learn how to appreciate others' political views. The **MiddleGround** app is designed to be an educational tool for schools, institutions, and anyone interested in learning more about U.S. government and politics. **MiddleGround** believes the way the app offers information and educational content will revolutionize how young people learn about these topics so that they can take an active role in reducing division as America's future generation.

Of American's Surveyed:



Know the term length of a senator

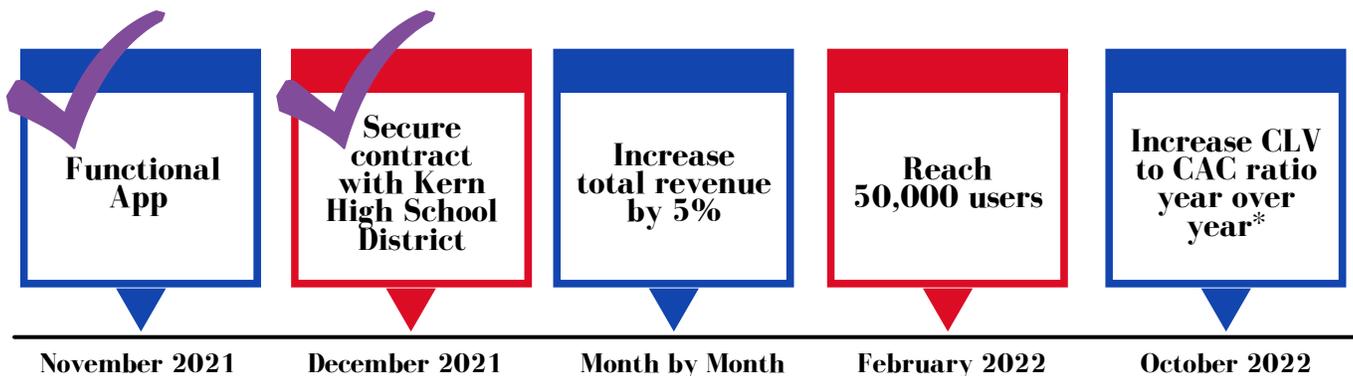


Know the term length of a representative



Source: Annenberg Public Policy Center 2021

Goals and Milestones



*CAC: Customer Acquisition Cost CLV: Customer Lifetime Value

1. Institute of Politics at Harvard Kennedy School 2. Annenburg Public Policy Center

Marketing Plan

Primary Target Market

MiddleGround primarily aims to serve high school and college students from age 14 to 24. This serves as the company's primary target market.

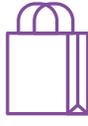
Secondary Target Market

MiddleGround's secondary target market is parents who will be paying for this app for a large portion of our teenage users.

Tertiary Target Market

MiddleGround's tertiary target market is schools and educational institutions wanting to purchase **MiddleGround** app subscriptions to distribute to their students.

Marketing Mix

				
Product MiddleGround App <ul style="list-style-type: none"> Education section News section Community section Physical Products <ul style="list-style-type: none"> Clothing Pens Stickers Plushies Mugs 	Pricing App price <ul style="list-style-type: none"> \$9.99 monthly \$89.00 yearly Product Prices <ul style="list-style-type: none"> Plushie - \$10.99 Dad Hat - \$19.99 We the People Mug - \$9.99 Monthly Monument Shirt - \$24.99 Charm pricing Bundle deals 	Placement <ul style="list-style-type: none"> The MiddleGround App will be available on the Google Play Store & Apple App Store Physical products will be available at VE trade shows & MiddleGround website App will be immediately received by customer Physical products will be shipped for online orders 	Promotion <ul style="list-style-type: none"> \$5,000 monthly budget Advertising on social media platforms <ul style="list-style-type: none"> Youtube Instagram Google Facebook TikTok VE advertisement sponsorship with The C.H.A.T. Company social media accounts <ul style="list-style-type: none"> Twitter Instagram 	Positioning <ul style="list-style-type: none"> Company colors Red, blue, purple - symbolize parties and the shared MiddleGround between them Philanthropic component The Boys and Girls Clubs of America Donate 76 cents for every annual subscription sold

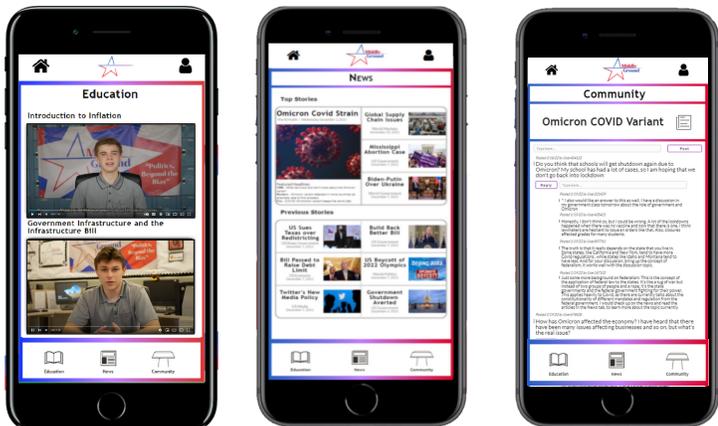
Business Risks

Risk	Solution
The COVID-19 pandemic is still a present threat and is unpredictable. 	<ul style="list-style-type: none"> Does not have a store front Partner with local businesses App safely used at home
Bias is present in almost all news sources. 	<ul style="list-style-type: none"> Straight-forward videos Content reviewed by industry professional consultants

Market Segmentation

Demographics  <ul style="list-style-type: none"> Ages 14-24 High School and College Students VE Participants 	Psychographics <ul style="list-style-type: none"> Interested in government/politics Desire to learn Engaged with social media 
Socio-Economic Factors  <ul style="list-style-type: none"> Monthly Income of \$2,200 (14-24) Middle-class families 	Geographics <ul style="list-style-type: none"> U.S Residents 

The MiddleGround App



\$9.99 Monthly, \$89.99 Yearly

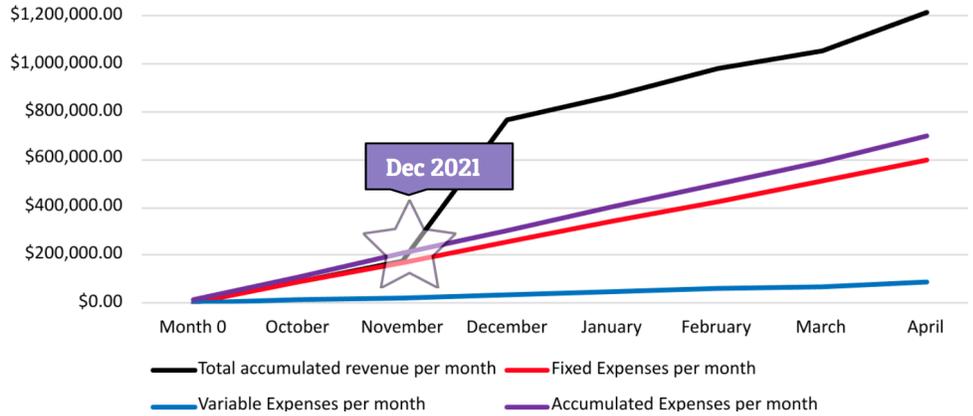
Monthly Monument Shirt  \$24.99	Eagle Plushie  \$10.99	MiddleGround Mug  \$9.99
Sticker 10-Pack  \$1.99	Drawstring Bag  \$14.99	MiddleGround Hat  \$19.99

Financial Highlights

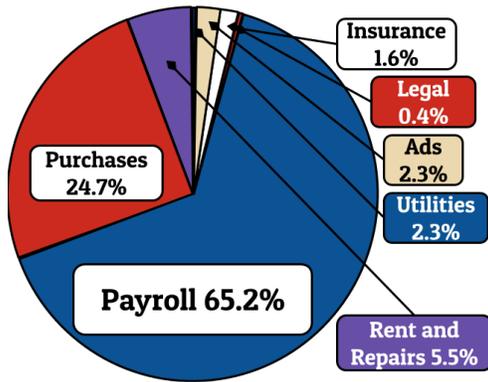
Break-Even Analysis

MiddleGround broke even in December of 2021, after the completion of an Out-of-Network sales contract with the Kern High School District. On top of the \$500,000 sales contract, **MiddleGround** also amassed over \$290,000 in sales for October, November, and December. The accumulated expenses up to that point total to about \$190,000. Although

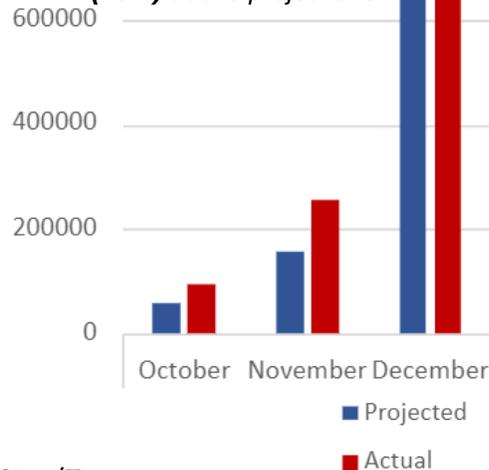
MiddleGround's average gross profit margin for its products is 48%, a large factor in **MiddleGround**'s early break-even is the fact that **MiddleGround**'s app subscriptions have a gross profit margin of 75%. Additionally, as time goes on, the gross profit margin of the service will only continue to increase as the costs to make the service do not accumulate as fast as the revenue from the service. The graph of the break-even point was calculated using the average price and cost of each product to create sales units. At the break-even point, **MiddleGround** sold about 3,900 physical product units, 46,700 yearly app subscriptions, and 400 monthly subscriptions.



Expenses Breakdown Proj. Sales v. Actuals



MiddleGround is currently \$153,000 (18%) above projections



Balance Sheet

As of December 31, 2021

	Total
Total Assets	\$1,086,885.76
Liabilities and Equity	
Liabilities	\$104,012.44
Equity	\$982,873.32
Total Liabilities and Equity	\$1,086,885.76

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Projected Profit/Loss

Overall, **MiddleGround** expects to continually generate revenue through sales contracts, web sales, and trade show sales and will make about 1.3 million dollars in total revenue and over half a million dollars in net profit by the end of the first fiscal year. This includes about 13,400 physical product units, 62,000 yearly app subscriptions, and 4,400 monthly app subscriptions.

April 30, 2022

Income	\$1,349,464.55
Cost of Goods Sold	\$73,815.35
Gross Profit	\$1,275,649.21
Expenses	\$775,098.78
Net Income	\$500,550.43

Actual Profit/Loss

All Dates as of December 31, 2021

Income	\$1,014,492.99
Cost of Goods Sold	\$34,740.41
Gross Profit	\$979,752.58
Expenses	\$221,615.76
Net Income	\$758,136.82

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