

# **A Guide to Strategic Planning**

**Virtual-lingua.com<sup>©</sup>**

**Presented by**

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**Presented to**

**Prospective Investors**

## Table of Contents

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>VISION.....</b>	<b>4</b>
TARGET MARKET .....	5
CONCEPT .....	6
DISTINGUISHING FACTORS .....	7
NEED AND VALUE .....	8
BUSINESS MODEL.....	10
SCHEMATIC .....	10
REVENUE MODEL.....	10
COMPETITIVE ANALYSIS .....	12
<b>MISSION.....</b>	<b>12</b>
VIRTUAL REALITY TECHNOLOGY.....	12
CONNECTIVITY .....	14
CHARACTERISTICS OF IMMERSIVE VIRTUAL REALITY.....	15
INTERACTIVITY .....	15
SPEED/REQUIREMENTS .....	17
VALIDATION OF MISSION .....	17
CUSTOMER PROCESS .....	18
SAMPLE HOME PAGE.....	19
<b>ACTION.....</b>	<b>20</b>
PERSONNEL .....	20
PHASES OF DEVELOPMENT .....	21
PHASE I .....	21
PHASE II.....	22
CAPITAL EXPENSE.....	23
SALES FORECAST 5 YEARS .....	23
ESTIMATED START UP CAPITAL .....	24
STARTUP CAPITALIZATION .....	25
INCOME STATEMENT .....	26
<b>BIBLIOGRAPHY .....</b>	<b>27</b>
<b>APPENDIX.....</b>	<b>28</b>
INTERNET RESEARCH .....	28
POWERPOINT PRESENTATION .....	28

## Executive Summary

My vision is to create a system to revolutionize foreign language acquisition worldwide. Through the creative integration of new technologies, we envision a system for foreign language acquisition that is capable of impacting educational institutions at all levels as well as businesses and governments. Through the creative manipulation and interfacing of new technologies, we shall devise a series of highly cost effective and challenging new learning environments designed to make second language acquisition more efficient, relevant, cost-effective and therefore more attractive to the consumer in the global marketplace.

The Overall concept and assumptions behind “virtual-lingua.com” is that second language learning best takes place in the “natural environment.” That is, German is best learned in Frankfurt, English in London or New York, French in Paris, and Spanish in Madrid etc. Yet of course this is not economically feasible for most people in the world. Those who travel extensively are privileged and in the minority. Yet the technology associated with “virtual worlds” and our ability to simulate (imitate) the playing field of human interaction has transformed the market place of learners. Web based learning and the technologies of virtual learning, in their potential for “outreach” or literally reaching into the home, makes language acquisition both more imperative and more accessible.

Utilizing the abilities of various talents within the technology industry, combined with new innovative technologies we will fulfill our vision, by defining and selecting the most advanced methodologies and using appropriate player in order to yield the best possible outcome. Both traditional and new modalities for language learning will be implemented via state-of-the-art learning acquisition and information dissemination by highly interactive systems. Through access of the Internet and use of the World Wide Web, information will be readily accessible. Interactivity via accessing Virtual-lingua.com learning programs will allow the user to experience learning in real time about language grammar, syntax, and real life experiences.

The main determinant for success is the development of the technologies necessary to fulfill an innovative virtual language-learning environment. Starting as a pilot program within the educational sector will adhere to a timeline that includes the development of a detailed business plan – March 2002; active fund raising from financial institutions –April 2002; a list of potential veterinary providers – June 2002; detailed demographics of the appropriate region and aggressive marketing and direct mailing – August 2002; web design and ASP development – August 2002; and finally program launch – October 2002.

Sales and gross revenues in years one through four are estimated at \$2,700,000, \$4,200,000, \$6,200,000, and \$8,000,000,\$10,160,000 respectively. Net profits – after taxes and dividend payouts – of \$(125,000), \$729,000, \$2,049,000, \$2,599,000, \$3,652,000 for the same years. Increases in revenues and profits are expected to increase substantially within the technologically capable to provide interactive virtual reality learning environment.

## Vision

My vision is to create a system to revolutionize foreign language acquisition worldwide. Through the creative integration of new technologies, we envision a system for foreign language acquisition that is capable of impacting educational institutions at all levels as well as businesses and governments. Through the creative manipulation and interfacing of new technologies, we shall devise a series of highly cost effective and challenging new learning environments designed to make second language acquisition more efficient, relevant, cost-effective and therefore more attractive to the consumer in the global marketplace.

Due to the fact that we are based on the Internet, the market for our innovative language learning system is the consumer worldwide. It has the potential to become the learning tool to change the very concept of second language acquisition for people of all ages and in all walks of life. The model we propose will be accessible to a limitless number of population's world wide, including students, educators, corporate management, government employees, as well as private individuals of all ages.

Our model for an Internet virtual world language learning system was developed with the following assumptions in mind:

1. In the era of globalization, there is much more demand for new and innovative "delivery systems" or "learning systems" which are capable teaching foreign language in a more cost-effective and rapid manner than the traditional classroom or textbook approach.
2. "Delivery systems" for teaching foreign language must be capable of reaching individuals and groups of all ages regardless of social stratification, geographical location, ethnic origin, or national identity.
3. In a global marketplace, individuals and groups need quick access to cost-effective and stream lined language learning systems designed to fulfill individual needs in an ever more competitive and globally oriented work force. The "delivery system" or model for instruction must be capable of offering the consumer language skills which he/she can immediately put to use in the context of his/her employment as a member of the global work force.
4. Our delivery system or model for second language acquisition must be highly innovative, cost-effective and flexible in order to reach the diverse number of potential consumers/customers in the world market of learners.
5. We must offer new and distinct learning environments capable of attracting the most sophisticated professional and the younger student population alike from as many diverse ethnic and national groups as possible.

6. Both the technical development of our innovative language acquisition paradigm as well as our subsequent efforts to market the system will be shaped by the fact that we wish to attract consumers from all age groups and from many diverse populations throughout the globe.

These six points were upper-most in mind as we proceeded with the development of Virtual-lingua.com's innovative educational program and an exciting worldwide experience through the computer based worldwide web.

## **Target Market**

Our main goal is to provide students, travelers, government officials and professionals with a consistent learning environment, which can meet the general needs of these diverse groups of consumers. At the same time, our innovative learning model must be able to accommodate the individual needs of each and every individual consumer regardless of age and national or cultural origin. These were the challenges we faced as designers of virtual learning environments. The environments had to be cost-effective, yet flexible and innovative enough to attract a market of consumers with potentially unlimited needs and interests. We therefore, had to come up with a series of learning environments or new and innovative "virtual realities" that could attract our target consumers in terms of meeting some of his/her most immediate needs as students, consumers or members of the global work force.

In creating a system of web-based learning environments, we aim to offer the consumers a series of virtual realities within which to operate when learning a second, or third language, which are relevant to their immediate needs in the work place and elsewhere. The system or model based in the Internet potentially could connect an infinite number of languages with an infinite number of users who are in themselves "infinitely diverse" in terms of linguistic capabilities, providing an infinite spectrum of "diversity" as a "closed system," which also has the added potential of each user being a "educational resource" for another or others connected to the system.

In order to guarantee a strong cash flow, initially we shall invest in creating virtual technologies in four languages, English, German, French, and Spanish. We shall develop language-learning programs designed to get the consumer to speak the target language immediately. Additional languages shall be built into the system upon demand from the targeted market. Although the number of languages that can be added is limited only by the number of languages there are in the world, investment at first will be in a series of "generic virtual realities" which will be adapted as teaching devices for countless numbers of different languages as virtual-teaching.com gains momentum as a business venture. Therefore, future virtual division's opportunities are limitless with the prospect of introducing virtual reality learning programs for athletic coaching, teaching, travel, and entertainment. Creating a new and diverse group of customers.

We shall also create software and learning environments, (either virtual or real) for our target market fostering the practical applications of the spoken and written language so that an American learning French might immediately find him/herself in a virtual French kitchen cooking in French so to speak. Examples of the kind of “virtual realities” serving each and every language brought into the learning system would be the “virtual kitchen” “virtual dining room” “virtual bathroom” “virtual bedroom” “virtual business meeting”, along with the virtual office, restaurant, freeway, hair dresser, bookstore, movie theatre etc. Our target market is therefore any literate citizen of any country with access to the Internet.

## Concept

The Overall concept and assumptions behind “virtual-lingua.com” is that second language learning best takes place in the “natural environment.” That is, German is best learned in Frankfurt, English in London or New York, French in Paris, and Spanish in Madrid etc. Yet of course this is not economically feasible for most people in the world. Those who travel extensively are privileged and in the minority. Yet the technology associated with “virtual worlds” and our ability to simulate (imitate) the playing field of human interaction has transformed the market place of learners. Web based learning and the technologies of virtual learning, in their potential for “outreach” or literally reaching into the home, makes language acquisition both more imperative and more accessible.

No one denies these days that we all need to speak multiple languages, that our children will speak multiple languages or at least two in the course of a lifetime. As this every increasing interfaced world without national boundaries when it comes to needing to understand and speak a “neighbor’s” language, tomorrow’s citizen will have to speak a second or even third language to operate in business, education or government. The citizenry of many nations including our own in places like San Rafael is “multilingualistic” where English in certain areas of town is the “foreign language.” One way the Internet and the technology of virtual learning have impacted education by making learning available to many more people than before its existence.

The lower economic sectors of society now have access too much more knowledge in a way which is really revolutionary in the history of literacy and formal education at all levels of learning. Previously adults destined to remain illiterate now have access to many tools to overcome such constraints as not being able to afford schooling. Even in Third World countries, where second language learning would ordinarily be impossible for the common house wife, now becomes a reality with the Internet and virtual learning technologies become a way of life for millions whose worlds were previously limited to the time and place of their circumstance. Examples of the kind of “virtual realities” serving all languages in the system are as follows: the “virtual kitchen” “virtual dining room” “virtual bathroom” “virtual bedroom” “virtual business meeting, office, restaurant, freeway, hair dresser, etc.

With these considerations in mind we therefore devised the following strategic plan for developing the paradigm of learning or model for second language acquisition using the Internet and all its tools including the “virtual classroom” as well as additional relevant “virtual” learning environments.

## **Distinguishing Factors**

Virtual-lingua.com was spawned as a result of individual experience with second language learning. Much of this experience was within the context of the traditional college classroom. Grammar and syntax were learned through repetition outside the context of real life situations and challenges. To date, few companies offer the consumer the ability to utilize a complete virtual learning environment. The continuing development of the innovative technology needed to support such a large merge of graphics and design now makes a second language learning delivery system not just a dream but also a “virtual” reality if you will.

Even basic language acquisition is transformed in such a way as to make “first year language courses” in the classroom environment obsolete. The traditional teacher/student relationship has shifted here as “learner centered” virtual realities” are created to free teacher and learner alike. Educational institutions currently offer traditional classroom language courses as does Berlitz and other study abroad programs. Nevertheless, these programs cannot be as cost-effective or as efficient, accessible and pragmatically sound when compared to “Virtual-lingua.com”.

Our vision to expand traditional education practices, with regard to second language acquisition, via the Internet. There presently exists many websites on the Internet devoted to second language learning. Yet on the whole none of these websites makes use of the technologies available for creating “virtual realities.” Those websites that do exist either describe grammatical concepts and provide on-line exercises and testing tools, but none creates a series of highly imaginative virtual realities within which to practice these grammatical constructs and patterns. It is one thing to have the student repeat pass the salt over and over within the context of a grammar drill but quote another, to have the student react by grabbing the salt shaker and handing it over. In the context of a drill, the learner does not remember as well as he/she does in the “virtual” context created for the purpose of helping him/her remember detailed vocabulary and intricate syntax.

Improving and expanding existing technologies to provide real life-learning environments a basis to the evolving concept. To completely master a foreign language according to our paradigm means to be submerged in a real life atmosphere. An understanding of foreign cultures and their languages through the creation of “virtual realities” or “live tours” of a given culture or nation designed for the consumer to learn language and cultural sensitivity at the same time is the very heart of our “delivery system.” Learning about foreign nations, their peoples, customs, values, religious and social practices without every leaving home is the concept which will guide us in the development of our paradigm.

These product and services will initially be targeted to specific markets and ethnic groups, which can be summarized but not limited to educational institutions, travelers, professional people and the international business sector (Corporations). All groups will benefit from the flexibility of virtual learning. Given the unique learning traits of each individual “consumer” virtual learning can provide a self paced around the clock “delivery system” to learn and practice language skills within the context of a virtual world designed to simulate real life situations and challenges.

For example, in practicing your restaurant conversational skills in Spanish, virtual learning places you in a restaurant in Madrid, Spain. Therefore, creating an easy, self-paced, relaxed learning environment without typical classroom stress. Thus, students, businesspersons, travelers, and anyone intrigued by other languages can benefit by using virtual-lingua.com. Although we have targeted a market for the first phase of development, doubtlessly the market will grow fast given the nature of the product as well as its potential for reaching new markets as they emerge. Market – research will be on going and an important part of keeping investors interested.

## **Need and Value**

The benefits of users can be traced to flexibility, accessibility, and cost. Due to virtual learning creative design users can simply access the Internet and choose desired language to learn. Next, the user picks the environment one needs to practice and virtual learning matches the language to the setting. Therefore, there is a profound saving in travel, tuition, along with and all costs associated with learning either locally or abroad. Another benefit can be found in the accessibility and flexibility of using the Internet. Around the clock access provides user with the opportunity to access and expand their skills at anytime of the day or night and on any day or night of the week.

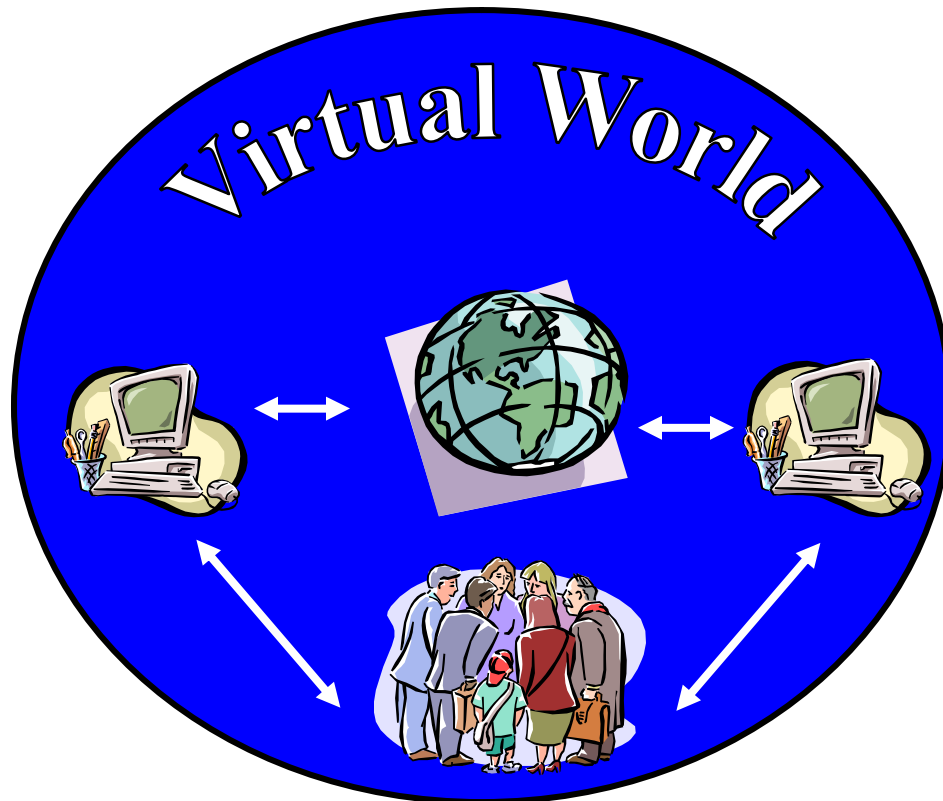
The information revolution is well underway-bringing together people and nations through the information superhighway. Understanding and exploiting the level of connectivity is taking place worldwide. Virtual-lingua.com both in concept and in practice is unique in terms of both the focus and the complexity of the levels of interaction with the end user. Therefore, the need to develop and market our service to students, professionals and businesspersons worldwide. In order to differentiate ourselves from our competitors in the marketplace, we must development a series of virtual realities, each conceived as an independent delivery system or learning system, which is related in kind to other learning systems teaching other foreign languages to diverse populations. Virtual learning differentiates us from the competitors because of the ability to provide flexible services to a global community with access to the Internet. Our services will expand the current level of learning by creating a media of self-paced learning programs with a wide variety of options for the international user or consumer. Our consumer therefore is any literate citizen of any country with access to the Internet.

Based on extensive/limited market research, the uniqueness of our product derives from the fact that all language is taught within real life situations or contexts that are “virtual.” In a sense, these virtual contexts are better than the real thing. Given the educational objectives they are designed to foster, a virtual kitchen within our system will have all the necessary utensils, with no forks or knives missing. The virtual department store can have many more products than the real Gap Outlet.

Our research also shows that at present there are few if any websites that use “virtual realities” to focus students on the history, culture, geography of a given region or nation. To teach students about the religious practices of Islam for example as part of language acquisition could prove a valued tool in today’s changing world. Through “recreating” the “buildings of Paris” or the room where the Mona Lisa hangs in the Louve the consumer can become a consumer of culture as well as a second language learner. Both kinds of learning take place at once within a virtual learning environment created to make language learning a tool to be utilized for an immediate purpose rather than a series of abstract rules left hanging in the air. Virtual lingua will provide the user with material gain, love, self-preservation, recognition and exclusivity, and fear. These are among the relevant human motivations that can be directly correlated to the services that virtual learning will provide. In addition, virtual lingua will provide a constant future cash flow for the founder and any investors.

## Business Model

### Schematic



### Revenue Model

Virtual lingua has many level of generating streams of revenue. Below is a bulleted list of the innovative ways for virtual lingua to generate revenue. They are as follows:

- **Advertising**, by placing another companies logos and business links on our home page will generates placement revenue as well as additional fees for referring customers to other web sites.
- **Service Fees**, in order to navigate freely through the web site the user must register and provide payment in the form of a credit card for complete access.
- **Universities and Colleges**, have the option to link directly to our educational services by utilizing educational group discount rates.
- **Corporations** can purchase services for the companies employees at a volume discount for cultural, linguistic, and historical training.

Virtual-lingua.com<sup>®</sup>

- **Tourists**, have the option to access country specific information before traveling to the country with introductions in history, culture, and traditions.
- **Government**, countries separate governments are given the alternative to purchase volume discounts for government employees.
- **Divisions**, after launching virtual lingua other divisions can be added. Providing virtual coaching, driving, flying, and many more possibilities.
- **Miscellaneous**, additional technological revenue possibilities exists in selling virtual reality space to manufactures of consumer goods. Overall, generating revenue may take the form of many of the above-mentioned methods as well as new and innovative possibilities.

## Competitive Analysis

<b>Competition</b>	<b>24/7</b>	<b>Information</b>	<b>Educational</b>
<b>Berlitz</b>	<b>Yes</b>	<b>Provides Basic Overview</b>	<b>Learn Basics</b>
<b>Educational Institutions</b>	<b>No</b>	<b>Cross-Cultural Training</b>	<b>Learn Languages</b>
<b>Self learning Software</b>	<b>No</b>	<b>Educational Purposes</b>	<b>Learn Cultures</b>
<b>Text Books</b>	<b>No</b>	<b>Travel Agencies, Awareness</b>	<b>Experience globally</b>
<b>Study Abroad Programs</b>	<b>Yes</b>	<b>Cultural, Demographics</b>	<b>Cross-Culture Education</b>
<b>Immersion Semesters</b>	<b>Yes</b>	<b>Various Languages</b>	<b>Provide Education</b>
<b>Cross-Cultural Training Courses</b>	<b>No</b>	<b>Limited Information</b>	<b>Provide Education</b>
<b>Virtual-lingua.com</b>	<b>Yes</b>	<b>Historical, Geographic, Cultural, etc.</b>	<b>Extensive Learning</b>

## Mission

### Virtual Reality Technology

Virtual reality is a growing technological marvel that must be thoroughly explained. Therefore, a simple introduction to the level of technology behind virtual reality is essential to understanding the connectivity, interactivity, and speed behind virtual learning.

Virtual reality is generally a computer generated (CG) environment that makes the user think that he/she is in the real environment. The virtual world is hosted on a computer in the form of a database (e.g. terrain database or environment database). The database resides in the memory of the computer. The database generally consists of points in space (vertices), as well as textures (images). Vertices may be connected to form planes, commonly referred to as polygons. Each polygon consists of at least three vertices. The polygon could have a specific color, and the color could be shaded, or the polygon could have a texture pasted onto it.<sup>1</sup>

The virtual world is rendered with a computer. Rendering involves the process of calculating the scene that must be displayed (on a flat plane) for a virtual camera view, from a specific point, at a specific orientation and with a specific field of view (FOV). In the past the central processing unit (CPU) of the computer was mainly used for rendering

<sup>1</sup> <http://www.5dt.com/virtualinfo.html>

(so-called software rendering). Lately we have graphics processing units (GPUs) that render the virtual world to a display screen (so-called hardware rendering). Connectivity features allow for the complete interaction between the user and the virtual reality options. The following paragraphs describe, in detail, the elements that will turn virtual learning into the greatest learning tool of the century.<sup>2</sup>

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<sup>2</sup> <http://www.5dt.com/virtualinfo.html>

## Connectivity



A Head Mounted Display (HMD) (visible in the picture to the left) consists of two miniature displays that are mounted in front of the user's eyes with a headmount. Special optics enables the user to view the miniature screens. The HMD also contains two headphones, so that the user may also experience the virtual environment aurally. The HMD is normally fitted with a Head Tracker. As the user looks around, the position and orientation information is continuously relayed to the host computer. The

computer calculates the appropriate view (virtual camera view) that the user should see in the virtual environment, and this is displayed on the miniature displays. For example, let's assume that the virtual environment is the inside of a restaurant, and that the user is sitting at a table. If the user looks forward, the head tracker will measure this orientation, and relay it to the computer. The computer would then calculate the forward view, and the user will see the table placing, plates and utensils for the meal (the user will obviously also see inside the restaurant, or out of window view).<sup>3</sup>

If the user looks down, the computer will present a view of the floor. If the user looks further down, the table legs will be shown. The orientation information may also be used to experience stereo and 3-D sound. If the user looks straight forward, he/she will hear similar noises you would hear in a restaurant. The volume and phase will be equal for the right and left ear. If the user looks to the left, the volume of the utter within the restaurant will be higher in the right ear and lower in the left ear.<sup>4</sup>

Objects in the virtual world may be manipulated by means of a Data Glove. A data glove measures the flexure (bend) of the user's fingers. The user may grab a virtual object and put it at a different spot. The user may also throw the object. If it is a force-feedback data glove, the user will also be able to deform the virtual object, and feel the object (e.g. a tennis ball) resisting the deformation.<sup>5</sup>



In order to navigate (e.g. walk or fly) in the virtual world, a Space Controller is used. The space controller could be a normal joystick, or a computer mouse. For example, when the mouse is moved forward, the user moves forward in the virtual world, when it is moved to the left, the user moves to the left, etc. Force-feedback joysticks or mice could provide

<sup>3</sup> <http://www.5dt.com/virtualinfo.html>

<sup>4</sup> <http://www.5dt.com/virtualinfo.html>

<sup>5</sup> <http://www.5dt.com/virtualinfo.html>

haptic cues to the user, e.g. when the user moves into a virtual wall. Normal joysticks and computer mice are usually used in Desktop VR Systems. In Immersive VR Systems like virtual lingua, we normally use baseless joysticks as space controllers. This enables the user to leave the desktop and to interact with the virtual world while standing up.<sup>6</sup>

It is also possible for different users to share the same virtual world. This is normally achieved by connecting the host computers to a computer network. Each user's host computer broadcasts the position and orientation of the user in the virtual world. The users may therefore see each other in the virtual world. In fact, users will see representations, referred to as avatars, of each other in the virtual world. They will be able to interact; working together or competing. The sharing of virtual worlds is generally referred to as shared virtual worlds, or as networked virtual reality.<sup>7</sup> A more advanced function to be added to the virtual lingua portfolio in the future.

The connectivity is completed integrated with the users learning preference. Integrating virtual reality hardware, language training software, and global cultural characteristics. Customers can experience and educate themselves directly through the Internet, significantly reducing travel and tuition. In addition, virtual learning will provide the user with the flexibility and connivance to learn via the Internet based features.

### **Characteristics of Immersive Virtual Reality**

- Head-referenced viewing provides a natural interface for the navigation in three-dimensional space and allows for look-around, walk-around, and fly-through capabilities in virtual environments.
- Stereoscopic viewing enhances the perception of depth and the sense of space.
- The virtual world is presented in full scale and relates properly to the human size.
- Realistic interactions with virtual objects via data glove and similar devices allow for manipulation, operation, and control of virtual worlds.
- The convincing illusion of being fully immersed in an artificial world can be enhanced by auditory, haptic, and other non-visual technologies.
- Networked applications allow for shared virtual environments.

### **Interactivity**

The potential customers interactively begin with accessing our virtual lingua website. After entering ones personal password, one is allowed to travel freely around the website. From the home page the user is given the option of various languages to study. After

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<sup>6</sup> <http://www.5dt.com/virtualinfo.html>

<sup>7</sup> <http://www.5dt.com/virtualinfo.html>

selecting a desirable language the user is given further options to access grammar, vocabulary, language training, syntax, or virtual plaza. The user will be provided the option to purchase the necessary virtual reality hardware and software for a complete and effective experience the virtual atmosphere. After entering the desired language one has the ability to choose a specific learning environment.

Not only will the consumer learn a second language but also he/she can learn history, geography, politics, social behavior etc. By the creative utilization of Cyber Space a student can eventually access any desired location in any target language in order to practice language skills in several languages in one sitting. Eventually the consumer of our product will be able to brush up on his English for a business meeting in New York on Monday and then again access our site where he can again brush up on his Arabic for a meeting with a Saudi prince on Tuesday.

The core interactivity is provided in the language training realities. The user has unlimited access to vocabulary, sentence structures, phrases, and much more by simply asking the question in the virtual reality. The software is designed to recognize questions; therefore, allowing the user to converse with a virtual assistant specifically programmed into each virtual reality program. Each virtual reality is programmed to setup the desired learning atmosphere for the end user. For example, the user can choose a virtual classroom, restaurant, train, home, or office to learn the selected components of virtual lingua. Hence, the user can choose the unique learning preferences that will enable the learner to learn more effectively and rapidly.

Thus, an Indian physicist in New Delhi might well want to learn more English because he is coming to the U.S. Hence he knows some English already but needs to more about the English of the research scientist in the United States. He plugs into “Virtual – lingua.com” and is set up inside a virtual generic physics laboratory” or “generic laboratory at the University of California. At the same time this Indiana physicist can be a “conversation” in a virtual chat room with a physicist from the U.S. who wants to learn Hindi or Urdu.

## Speed/Requirements

The product will be delivered instantaneously over the Internet. A around the clock accessibility of the Internet allows virtual lingua to provide language training 24 hours a day. Individual user's system requirements are summarized below:

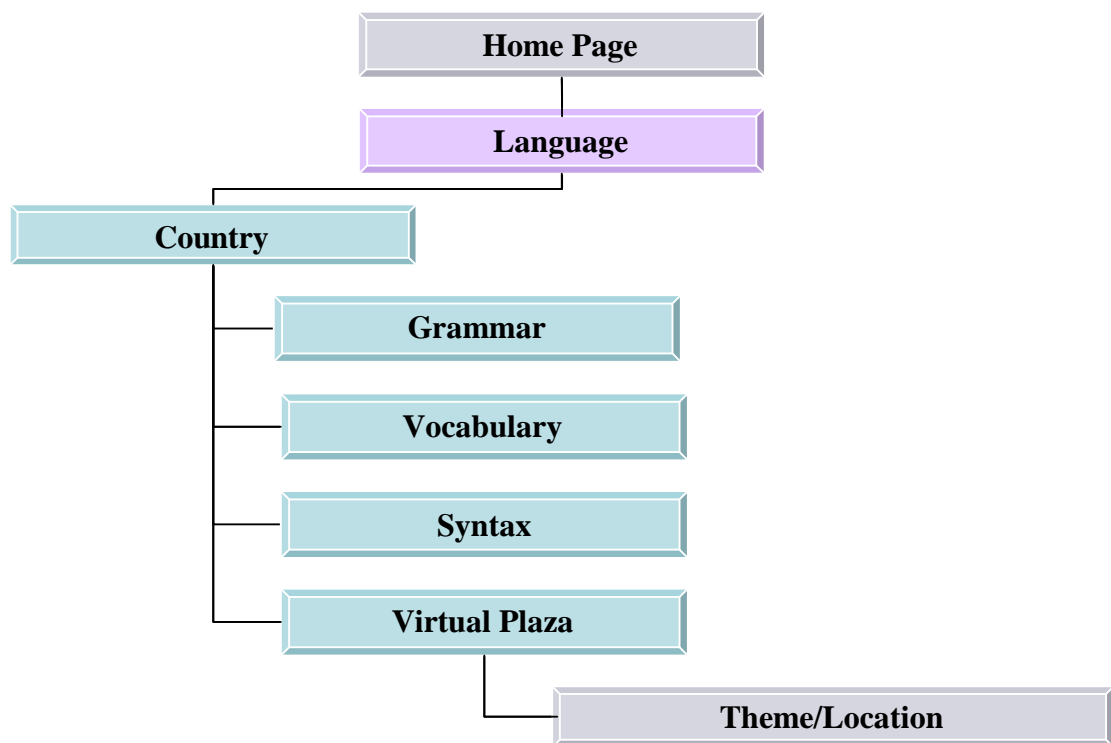
<b>Operating System</b>	<b>Current, Mac OS, Win95, Win98, NT 4.0, WinME, and Windows XP.</b>
<b>Processor Required</b>	<b>10X, 700 Mhz</b>
<b>Processor Recommended</b>	<b>10x, 1G</b>
<b>RAM Required</b>	<b>256 MB</b>
<b>RAM Recommended</b>	<b>400 MB</b>
<b>Hard Drive Space Required</b>	<b>800 KB</b>
<b>Hard Drive Space Recommended</b>	<b>800 KB</b>
<b>Connection</b>	<b>Modem, Cable, or TI connection.</b>
<b>Other Requirements</b>	<b>Head Mounted Display, Data Gloves, Joy Stick.</b>

## Validation of Mission

<b>Competitor</b>	<b>Connectivity</b>	<b>Interactivity</b>	<b>Speed</b>
<b>Berlitz</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Educational Institutions</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Self learning Software</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Text Books</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Study abroad programs</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Competitor</b>	<b>Connectivity</b>	<b>Interactivity</b>	<b>Speed</b>
<b>Immersion semesters</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>
<b>Cross-Cultural Training courses</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Virtual-lingua.com</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

## Customer Process

The user needs access to the Internet wherein one must type [www.virtual-lingua.com](http://www.virtual-lingua.com). After entering the web site the user has the option to navigate around the home page. The user clicks on the desired language and will be asked for personal and payment information. After authorizing the user he/she has unlimited access to virtual lingua's learning programs. The user has the option to choose a desired language providing the option for language and desired learning country. The user then has the ability to choose a relevant learning level in grammar, vocabulary, syntax, and/or application in a virtual plaza linking the user to the desired theme or location. A sequential diagram can be viewed below to clearly show the sets the user will take when accessing the Internet.



## Sample Home Page



The home page provides the user with a variety of separate links, including a fifteen-minute free trial link, product information with order and payment form links. After completion of the payment link the user is given unlimited access to virtual lingua for the specified paid time limit. Furthermore, a variety of options will be presented to the user, including the most important features being password, payment, country, language, and help links. The overall process includes providing a variety of options for the user after login.

## Action

### Personnel

Activity	Personnel	Due Date	Comments
Business Plan Development	James E. Salter	March 2003	Final Draft for Presentation
Virtual Realities Development	AIM Web Technologies	August 2003	Currently in Development
Web Site Development	Armada Web Design	August 2003	Beginning
Financial Resources	American Express Financial	April – June 2003	Approach Lenders
E-Commerce	Manning Marketing Group, Inc.	June 2003	Complete List for Presentation
Marketing Procurement	ABC Marketing Company	August 2003	Establish Regional Demographics and handling bulk mailings
Software Development	AIM Web Technologies	August 2003	Currently in Progress
Launch Plan	Armada Strategy, Inc.	October 2003	First Mailings

The list of employees involved with the progression of Virtual Lingua will include:

#### James E. Salter

James E. Salter, MBA. has three years experience in computer industry. He is president of Armada Technologies located in Silicon Valley since 1998 and has expanded the growth two-fold since launching computer development and services.

#### AIM Web Technologies

Founder George A. Salter is an advance program and web-developer. He currently runs his own operations creating database management software for various telecommunication firms providing advanced networking and web design.

#### Armada Web Design

Armada Web Design is a company that manages and provides troubleshooting for web-based and office-based database applications. The company is a subsidiary of Armada Technologies operated by George A. Salter.

### **American Express Financial**

American Express Financial Advisor George A. Salter II is a certified financial manager. American Express services will include document preparation, managing financial services, and investment opportunities.

### **Manning Marketing Group**

Manning Marketing Group offers an online web-based E-commerce site designed for a innovate information driven consumer. The state of the art developments provide a variety of services directly relating to the web-based consumer.

### **ABC Marketing Company**

ABC Marketing Company acquires and distributes demographic information across the United States. They handle bulk mailing needs for the direct marketer as well as standard companies for advertising and market development.

### **Armada Strategy, Inc.**

Armada Strategy, Inc. is a diversified company that purchases new and existing companies for development and expansion.

## **Phases of Development**

### **Phase I**

1. Selection of initial four or five target languages: English, Arabic, French, Spanish, and German. There are by choice a limited strategic number of languages in phase I. These were selected on the basis of a) number of people and nations where language used and b) importance of language in world market for U.S.
2. Developing software and virtual environments, which meet needs of first market group, targeted.
3. Target –market group Phase I etc.
4. Middle class businessmen who are English speaking and need to learn French or Spanish for example: generic model developed whereby the “student is put inside “ a series of virtual realities which might include the office, his home, the kitchen, the living room, the bathroom, the bus stop, the subway, the restaurant, the airport, etc. The typical middle class businessman then learns to get through a typical week at the same time that the grammatical structures and vocabulary of the target language is presented to him. The basic concept behind “Virtual-lingua.com” The beauty of virtual language learning or

learning new grammar, vocabulary, or syntax on the spot or at the spot you would “normally” hear the target language spoken.

5. In addition, through taking the “consumer” through a series of carefully designed “virtual realities” such as home, office, subway etc. With the speed of the new technologies, the consumer will “in fact consume” or learn the target language in record time. He/she can repeat the lesson “getting out of bed, getting dressed and eating breakfast” several times an hour, so that language acquisition can occur while riding the subway or waiting for the kids at soccer practice.

6. The series of typical business or corporate executive’s “virtual realities” are developed for the English speaker to learn French, and once he/she uses the system, he or she (the consumer) is more likely to return for more of the “same product” since it becomes a known and tested entity. That is the American Corporate executive has learned Spanish by being placed in a series of virtual realities specifically designed to his/her needs. Now it is time for him/her to learn Arabic since the company is now going to do business in Afghanistan selling wheat or putting in a new pipeline. The first learning experience will enhance the second learning experience based in a series of virtual worlds for this same learner, the second time around, worlds he is already familiar with, and so on.

By the end of Phase I, the board of directors should have defined and developed up to 10 new series of “virtual realities” which constitute the core of the first stage of development of Virtual-lingua.com. The market research initially will indicate which specific groups are targeted for the first phase and which specific languages will be taught to these groups. Investors will be solicited on the basis of a clear and well worked out 5 to 10 years Business Plan. The permanent Board of Directors will be elected among investors during the first six months of operation.

## **Phase II**

Once the 5 to 10 learning environments are agreed upon given the assumptions made initially about the market, the 6-10 “Learning Environments” hence forth known as “series of virtual spaces” or “virtual realities” is to do the “cultural research” needed to actually “take the client/consumer there” i.e. for example, we focus our resources on creating a trip to London or a trip to Paris or perhaps a trip to Brazil. We research the environment, hotels, restaurants, etc. and create a virtual London or a virtual Paris of sorts. Using specific environments, think of it like a dollhouse or “miniature model city” etc, inside a typical Parisian family. In the kitchen or at the dinner table or in a classroom at the Sourborne etc. Virtual lingua will provide the user with material gain, love, self-preservation, recognition and exclusivity, and fear. These are among the relevant human motivations that can be directly correlated to the services that virtual learning will provide.

## Capital Expense

A certain amount of investment capital to set up the learning website and the series of virtual realities or “virtual theatrical stages” thinking of the “virtual realities “created as scenes” where action and interaction occur with “virtual actors and objects” etc. The initial investors can be paid off in stock options once the E-commerce business henceforth known as “virtual-lingua.com” takes off. And it will, imagine being able to offer a unique kind of language acquisition for “virtually” all people of the world who are literate or who have access to the Internet. The investment at first would be in people and know-how. Mocking up a London or a Paris might not be so easy and would require investment in both technology and technical know-how at a higher level than most websites offering language education at present. Initial funding might come in part in the form of investment from restaurants and stores, which might appear in the virtual tour of the place in question.

## Sales Forecast 5 years

All figures (\$000)

	2003	2004	2005	2006	2007
Tourists, Businesses, Institutions	\$2,640	\$4,140	\$6,140	\$ 7,940	\$10,100
ASP Fees.....	60	60	60	60	60
<b>Total Projected Revenues</b>	<b>\$2,700</b>	<b>\$ 4,200</b>	<b>\$ 6,200</b>	<b>\$ 8,000</b>	<b>\$10,160</b>

## Estimated Start Up Capital

	Monthly Costs	Cash Needed to Start	% of Total
<b>Monthly costs</b>			
Salary of CEO	\$ 5,000.00	\$ 30,000.00	8%
Web Maintenance	\$ 5,200.00	\$ 32,000.00	8%
E-commerce Fee	\$ 550.00	\$ 7,000.00	2%
Support staff Salaries	\$ 2,500.00	\$ 12,500.00	3%
Advertising - postage (bulk rate)	\$ 12,000.00	\$ 75,000.00	19%
Telephone (800 number)	\$ 4,000.00	\$ 42,000.00	11%
Supplies	\$ 2,000.00	\$ 11,000.00	3%
Insurance	\$ 500.00	\$ 2,500.00	1%
Legal and Professional Fees	\$ 500.00	\$ 2,500.00	1%
Miscellaneous	\$ -	\$ -	0%
<b>Subtotal</b>		<b>\$ 214,500.00</b>	<b>54%</b>
<b>One Time Costs</b>			
Fixtures and Equipment		\$ 100,000.00	25%
Initial Printing Including Set-up (300,000 pieces @ \$.14 ea)		\$ 60,000.00	15%
Legal fees - Set up Agreements		\$ 5,000.00	1%
Advertising and Promotion for Launch		\$ 3,500.00	1%
Licensing and Permits		\$ 500.00	0%
Cash on Hand		\$ 15,000.00	4%
Other		\$ -	0%
<b>Subtotal</b>		<b>\$ 184,000.00</b>	<b>46%</b>
<b>Total Estimated Start-up Capital</b>		<b>\$ 398,500.00</b>	<b>100%</b>

**Note:** If there is a capitalization deficit, then more capital is needed to fund the start-up. That means more owner investment, bank loans, or other sources must be drawn upon to provide the funds needed to get the business up and running.

## Startup Capitalization

	<b>Amount</b>	<b>% of Total</b>
<b>Owners' Investment</b>		
James E. Salter	\$ 25,000.00	2%
AIM Web Development	\$ 50,000.00	5%
<b>Bank Loans</b>		
American Express Banking	\$ 1,000,000.00	93%
<b>Total Capitalization</b>	<b>\$ 1,075,000.00</b>	<b>100%</b>
<b>Capitalization Surplus or (Deficit)</b>	<b>\$ 676,500.00</b>	

## Income Statement

For years 2003 through 2007  
(All Numbers in \$000)

Revenue	2003	2004	2005	2006	2007
Gross Sales	\$ 2,700	\$ 4,200	\$ 6,200	\$ 8,000	\$10,160
Less Refunds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Sales</b>	<b>\$ 2,700</b>	<b>\$ 4,200</b>	<b>\$ 6,200</b>	<b>\$ 8,000</b>	<b>\$10,160</b>
<b>Operating Expenses</b>					
Selling					
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ 15	\$ 17	\$ 20	\$ 25	\$ 29
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Selling Expenses</b>	<b>\$ 15</b>	<b>\$ 17</b>	<b>\$ 20</b>	<b>\$ 25</b>	<b>\$ 29</b>
Capitation Expenses					
Emergency Hospital	\$ 260	\$ 380	\$ 490	\$ 580	\$ 660
Specialists	\$ 700	\$ 950	\$ 1,100	\$ 1,600	\$ 2,000
General Practitioners	\$ 1,100	\$ 1,600	\$ 2,000	\$ 2,600	\$ 3,000
<b>Total Capitation Expenses</b>	<b>\$ 2,060</b>	<b>\$ 2,930</b>	<b>\$ 3,590</b>	<b>\$ 4,780</b>	<b>\$ 5,660</b>
General Administrative					
Salaries & Wages	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Employee Benefits	\$ 7	\$ 8	\$ 9	\$ 10	\$ 11
Payroll Taxes	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Insurance	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Rent	-	-	-	\$ -	\$ -
Utilities	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
ASP Annual Fees	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Office Supplies	\$ 3	\$ 4	\$ 5	\$ 6	\$ 7
Travel & Entertainment	\$ 3	\$ 4	\$ 5	\$ 7	\$ 9
Postage	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70
Equipment Maintenance & Rental	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Interest	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65
Furniture & Equipment	\$ 2	\$ 3	\$ 4	\$ 5	\$ 6
<b>Total General/Administrative Expenses</b>	<b>\$ 250</b>	<b>\$ 254</b>	<b>\$ 258</b>	<b>\$ 263</b>	<b>\$ 268</b>
<b>Total Operating Expenses</b>	<b>\$ 2,325</b>	<b>\$ 3,201</b>	<b>\$ 3,868</b>	<b>\$ 5,068</b>	<b>\$ 5,957</b>
<b>Net Income Before Taxes</b>	<b>\$ 375</b>	<b>\$ 999</b>	<b>\$ 2,332</b>	<b>\$ 2,932</b>	<b>\$ 4,203</b>
Taxes on income	\$ (300)	\$ (470)	\$ (583)	\$ (733)	\$ (1,051)
<b>Net Income After Taxes</b>	<b>\$ 75</b>	<b>\$ 529</b>	<b>\$ 1,749</b>	<b>\$ 2,199</b>	<b>\$ 3,152</b>
Signing Bonus	\$ (100)	\$ (200)	\$ (300)	\$ (400)	\$ (500)
<b>NET INCOME(LOSS)</b>	<b>(\$125)</b>	<b>\$ 729</b>	<b>\$ 2,049</b>	<b>\$ 2,599</b>	<b>\$ 3,652</b>

## Bibliography

<http://www.cybertown.com>

<http://www.5dt.com/virtualinfo.html>

Virtual-lingua.com<sup>®</sup>

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## **Appendix**

**Internet Research**

**PowerPoint Presentation**