BUSINESS PLAN · INDIA

Test-Prep / Coaching Institute (Online)

Online coaching for competitive & skill exams - faculty, results & test series; fee-based, cash-generative

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1. Executive Summary

This plan sets out a **Test-Prep / Coaching Institute (Online)** in India — a coaching business preparing students for competitive & skill exams (JEE/NEET, banking/SSC/railways, UPSC, CUET, CA/CS foundation, language & skill tests) via live online classes, recorded courses, test series & doubt-solving. It earns course & batch fees, test-series & subscription revenue, monetising India's vast, aspirational exam-prep market — largely self-funded & cash-generative, unlike burn-heavy edtech.

India's competitive-exam culture is huge & enduring, and online coaching has expanded reach far beyond physical centres to Tier-2/3 & vernacular students at lower cost. A focused institute with strong faculty, results & a defined exam niche earns healthy, fee-based, largely cash-generative revenue with strong word-of-mouth from results — a more sustainable model than generalist edtech.

The promoter — an educator / coaching entrepreneur — seeks total funding of **₹18 lakh** (₹6.5 lakh promoter + ₹11.5 lakh term/WC finance, eligible under Mudra/CGTMSE; largely fee-funded thereafter), targeting **₹55 lakh** revenue in Year 1 and **₹1.6 crore** by Year 3. *(Fee-based, faculty- & results-driven, cash-generative coaching model.)*

2. Business Description, Vision & Legal Structure

Concept: A focused online coaching institute delivering results in a chosen exam - strong faculty, structured courses, test series & doubt-solving.

Vision: To be a results-leading coaching brand in its exam niche.

Mission: Help students crack their target exam with great teaching, practice & mentorship - affordably & at scale.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as faculty & batches grow.
- **Private Limited** — for scaling into a multi-exam brand or raising capital.

> **Regulatory anchor:** a coaching institute is a fee-based education-services business — GST on coaching fees, content IP & faculty contracts, the Coaching-Centre regulation/guidelines (state & central, incl. age & advertising norms), honest results/advertising claims, and DPDP (students, often minors). Faculty quality & results, exam-niche focus, batch economics & word-of-mouth determine success; largely self-/fee-funded & cash-generative.

3. Promoter & Ownership

Led by a promoter-educator (or entrepreneur with strong faculty). Delivery uses subject faculty, content & test-series team, a tech/production person, and counselling/support & sales. Year-one ownership rests with the promoter; ownership and profit-sharing (and star-faculty shares) are editable inputs.

4. Market Analysis — India

India's competitive-exam market is vast & enduring, with millions preparing for JEE/NEET, government, and skill exams annually. Online coaching has dramatically expanded reach to Tier-2/3 & vernacular students at lower cost than physical centres. The market rewards results, faculty reputation, exam focus & affordability; it is fee-based & cash-generative, favouring focused, results-driven institutes.

Demand drivers

- **Vast exam-prep & aspiration** culture.
- **Online reach** to Tier-2/3 & vernacular.
- **Affordability vs. physical** centres.
- **Results & faculty** reputation.
- **Test series & doubt-solving** demand.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Exam-prep coaching market in India	Very large
SAM	Reachable students in the exam niche	Substantial
SOM (Yr 1–3)	Enrolled students per year	Scaling

Target segments

- Competitive-exam aspirants (JEE/NEET/govt).
- Tier-2/3 & vernacular students.
- Skill/language-test takers.
- Repeat/droppers & foundation students.

5. Competition & Competitive Advantage

Landscape: large coaching brands, online platforms, local coaching, and free content. The firm competes on faculty, results, exam focus, affordability & student support.

The firm's edge

- **Strong faculty & results.**
- **Focused exam niche.**
- **Affordable & accessible (online).**
- **Test series, doubt-solving & mentorship.**
- **Results-driven word-of-mouth.**

6. Services & Pricing

Offering	Model	Indicative price
Live batch (course)	Per batch/course	₹8,000–40,000
Recorded courses	Per course	Lower price
Test series & practice	Per series / subscription	Recurring/add-on
Doubt-solving & mentorship	Included / premium	Value
Crash courses & foundation	Per course	Seasonal

> Live batches & courses are the core fee revenue; test series, recorded courses & crash courses add volume & recurring income. Faculty-cost vs. fee & batch-size drive margin; results-led word-of-mouth lowers acquisition cost — the key to cash-generative economics.

7. Go-to-Market — Marketing & Student Acquisition

- **Results & toppers** (the core marketing).
- **Free content & demo** (YouTube/social) funnel.
- **Referrals & word-of-mouth.**
- **Vernacular & Tier-2/3** reach.
- **Affordable pricing & scholarships.**

Approach

Attract students via free content, demos & results → enrol into batches/courses → deliver results & support → drive referrals & repeat (test series) → build a results-brand. Results & word-of-mouth drive efficient, cash-generative growth.

8. Operations Plan

- **Base:** a studio/office for live classes & content production; online delivery platform.
- **Process:** curriculum & scheduling → live/recorded teaching → test series & assessments → doubt-solving & mentorship → results tracking.
- **Faculty & content:** subject faculty, content & test-series development, quality & updates.
- **Platform & support:** LMS/app, live-class tech, student support & counselling.
- **Capacity:** large batch sizes online (low marginal cost); scale by exams, faculty & batches.

Coaching workflow

Stage	Activity	Metric
Attract	Content/demo	Leads
Enrol	Batch/course	Enrolments
Teach	Live/recorded	Engagement
Practise	Test series	Performance
Result	Exam outcome	Results/referral

9. Regulatory, Licences & Compliance (India)

- **Coaching-centre regulation:** central & state coaching guidelines (registration where applicable, age & advertising norms, no misleading claims).
- **Business & tax:** proprietorship/LLP or Pvt Ltd; PAN/TAN; GST (coaching fees attract GST); Udyam (MSME).
- **Content & faculty:** content IP, faculty contracts; honest results/advertising.
- **Data:** DPDP-aligned student data (often minors); consent & safety.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Academic Head	1	1	1
Subject faculty	4	9	15
Content & test-series	2	4	6
Tech & production	1	3	5
Counselling, sales & admin	2	5	8
Total	**10**	**22**	**35**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–2	Studio, platform, faculty, content, first batches
Launch	Month 2–4	First batches & test series live
Traction	Month 4–10	Enrolments & first results; break-even nears
Scale	Year 2	Results-brand; more exams/batches; vernacular
Growth	Year 3	Strong results & word-of-mouth enrolment

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Fee-based, cash-generative; faculty is the main cost, results drive low-CAC growth.

12.1 Project cost & means of finance

Capital requirement	₹
Studio & production setup	5,00,000
Platform/LMS & IT	3,50,000
Content & test-series development	4,00,000
Branding & marketing launch	3,50,000
Working-capital buffer	2,00,000
Total project cost	**18,00,000**
Promoter contribution	6,50,000
Term/WC loan (Mudra / CGTMSE)	11,50,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Live batches & courses	40,00,000	78,00,000	1,12,00,000
Test series & recorded courses	11,00,000	26,00,000	40,00,000
Crash courses & other	4,00,000	8,00,000	8,00,000
Total revenue	**55,00,000**	**1,12,00,000**	**1,60,00,000**
Faculty & content salaries	26,00,000	50,00,000	70,00,000
Platform, tech & production	5,00,000	9,00,000	13,00,000
Marketing & acquisition	8,00,000	15,00,000	20,00,000
Studio, admin & overheads	6,00,000	11,00,000	15,00,000
Interest on loan	1,15,000	90,000	55,000
Total expenses	**46,15,000**	**85,90,000**	**1,18,55,000**
Net profit (before tax)	**8,85,000**	**26,10,000**	**41,45,000**
Net margin	16.1%	23.3%	25.9%

12.3 Unit economics & break-even

- **Per batch:** fee × students − faculty/content − platform; large online batch sizes give strong margins at low marginal cost.
- **Results-led CAC:** word-of-mouth & free-content funnel keep acquisition cost low — the profitability lever vs. burn-heavy edtech.
- **Break-even:** reached around month 6–9 as enrolments build; results compound demand.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,00,000	2,40,000	3,10,000	4,20,000
Fee collections	11,00,000	14,00,000	16,00,000	14,00,000
Operating outflows	10,40,000	13,10,000	14,60,000	13,20,000
Loan EMI	20,000	20,000	30,000	30,000
Closing balance	**2,40,000**	**3,10,000**	**4,20,000**	**4,70,000**

> Fees are often collected upfront/at enrolment (good cash), with seasonal peaks around exam cycles. Faculty is the steady cost; results-led low-CAC growth makes this cash-generative — a key contrast with burn-heavy generalist edtech.

12.5 Key Performance Indicators to Monitor

- **Enrolments:** students/batch; batch fill; conversion.
- **Results:** selections/toppers; result rate (the core asset).

- **Economics:** revenue per student; CAC; faculty-cost ratio.
- **Retention:** referrals; test-series & repeat.

13. Funding Requirement & Bankability

Total ask: **₹11.5 lakh term/WC finance** against ₹6.5 lakh promoter contribution — funds studio, platform, content & launch marketing; eligible under **PMMY (Mudra)**/CGTMSE. Unlike equity-burn edtech, this is fee-funded & cash-generative — Year-1 net profit ~₹8.85 lakh against modest debt service gives a strong DSCR — comfortably bankable, strengthening as results drive low-CAC enrolment.

13.1 Funding utilisation

Use of funds	₹	% of total
Studio & production setup	5,00,000	28%
Content & test-series development	4,00,000	22%
Platform/LMS & IT	3,50,000	19%
Branding & marketing launch	3,50,000	19%
Working-capital buffer	2,00,000	11%
Total	**18,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Faculty dependence/attrition	Multiple faculty; recorded content; fair shares; brand over individual
Results / reputation risk	Quality teaching; support; honest claims; niche focus
High acquisition cost	Free-content funnel; results & referrals; word-of-mouth
Competition & free content	Results, structure, support & niche differentiation
Regulatory (coaching guidelines)	Compliance; honest advertising; age/consent norms

15. SWOT Analysis

Strengths Vast market; fee-based & cash-generative; low-CAC via results; scalable online; high margins.	**Weaknesses** Faculty & results dependent; seasonal; competition; reputation-critical.
Opportunities Online & vernacular reach; test series & subscriptions; multi-exam; Tier-2/3.	**Threats** Big coaching brands & free content; faculty poaching; regulation; competition.

16. Recommended AiSevak Tools for This Business

This coaching institute would use AiSevak's EdTech vertical tools in delivery:

- **Institute ops:** LMS/live-class, batch/enrolment, test-series and student-CRM tools.
- **Compliance & content:** coaching-guideline, content-IP/faculty-contract and GST tools (with Legal & Finance verticals).
- **Practice:** Business Plan, per-batch economics and Break-even tools to model the institute.

17. Key Assumptions & Notes

- Fee-based & cash-generative (not equity-burn); live batches + test series + recorded; large online batch sizes.
- Results-led word-of-mouth keeps CAC low; enrolments seasonal around exam cycles.
- Term/WC finance ~11% p.a.; coaching fees attract GST; coaching-centre guidelines & honest claims.
- Faculty quality, results, exam-niche focus & low-CAC growth are decisive; figures exclude GST.

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