



X-Culture Kids

Why? How? Who?

Updated November 6, 2017.



Summary

- **Why X-Culture for kids and teens?** To prepare for a career in the globalized world.
 - International experience
 - Business experience
 - Improved cultural intelligence
- X-Culture: 40,000 MBA and college students have already participated. Now open to kids ages 9-17
- X-Culture Kids design like X-Culture University, but adjusted for the age of the participants and more pre- and post- project activities:
 - Pre-Project Training (4 weeks)
 - Practical Training (8 weeks)
 - Post-Project Reflections (4 weeks)
- Recruitment channels:
 - Word of mouth
 - Local recruitment agents
 - Advertisement in local media
 - Targeted promotion
 - Conferences
 - Online
 - Online community
- Organizational structure:
 - X-Culture Kids Global CEO
 - Regional Executive Directors
 - Local recruitment agents
 - Contracted support services
 - Liaisons, project supporters, and fans
- Pricing:
 - To be determined by Regional Executive Directors
 - Suggested level:
 - Individual participant (enrolled by a parent) \$195
 - Class (enrolled by a teacher as a group) \$275

Participation stipends up to \$150 for developing countries (pay \$45/\$125).
Higher, lower, or no participation fees possible in special circumstances.
- Regional Executive Director Compensation
 - Trial/Pilot (Nov 1, 2017 – May 31, 2018)
 - Goal \$300-\$500 total
 - Comprised of \$200 monthly base salary + 20% after market commission
 - + marketing budget
 - + bonuses for top performers (e.g., travel stipend to attend Global Symposium)
 - Post-Pilot (after) May 31, 2018
 - Goal \$500-\$5,000+ total
 - Comprised of increased monthly base salary + aftermarket commission
 - + increased more targeted marketing budget
 - + bonuses for top performers (e.g., travel stipend to attend Global Symposium)
- Growth Opportunities
 - Global CEO
 - Full-size regional offices
 - Professional development, research, and recognition.

Why?

International Experience

We live in a global world. In school, at work, in our personal lives, we increasingly must interact with people of different cultures. International experience helps interact more effectively.

People with international experience are in high demand, but still in low supply. They are more likely to be admitted to good universities and get good jobs.

Teaching to work with people from different cultures is notoriously hard. It is **not** something one can learn from books or lectures. Learning in a classroom how to interact with foreigners is like learning how to swim on a football field.

One must get in the water to learn how to swim. One must have a practical international experience to understand other cultures.

Unfortunately, it is not easy to find opportunities to gain international experience. International travel is costly. Even if one can afford to go overseas as a tourist, there is a big difference between being a tourist and being a co-worker.

Furthermore, international work teams tend to be comprised of more than two nationalities. It is not unusual to see work teams where each team member comes from a different culture. This fundamentally changes the group dynamics. Working in a team comprised of just two cultures is not the same as working in a team where every team member is from a different culture.

Lastly, the rapid development of online communication technologies makes it easier than ever before to work in globally dispersed teams. Most international interactions happen online. The group dynamics in virtual teams is much more complicated than in face-to-face teams. Ability to work in global *virtual* teams cannot be learned from books, by visiting other countries, or by working in traditional face-to-face teams. It can only be learned by working in *virtual* teams.

X-Culture is an inexpensive, safe, and effective way to gain international experience and learn how to work in *global virtual* teams.

About 5,000 business students from 130 universities in 40 countries on 6 continents participate in X-Culture every semester.

They first receive training in areas such as online collaboration, cross-cultural communication, problem-solving in teams, and the basics of international business.

Then, they complete a business project for a real corporate client in a team of about 7, each person from a different country, thereby gaining international experience and online collaboration skills.

Business Experience

Just like international experience, business experience is hard to gain from books or lectures. It is hard to understand business theories without applying them in practice.

X-Culture students solve international business problems for real companies. The students receive detailed information about their client company and its products, have live webinars with the company managers, present their work to their clients and receive feedback, and can even see their best ideas implemented.

Most talented trainees often receive internship and jobs offers. Many companies also offer after-market commission for proposals that lead to contracts.

In addition to international experience, X-Culture students also receive business consulting experience.

Better Learning

Our researcher shows that practical experience aids theoretical learning. Compared to control groups, students who also had the X-Culture experience as part of their International Business courses did better on the course exams. Same exam. Same questions. More correct answers if X-Culture is part of the course.

It is possible that the knowledge they gained during the project helped students answer exam questions. However, at least partially, better performance on the exams could be attributed to improved interest in the subject and stronger motivation to learn.

Practical application of the theories covered in the course helps students understand and appreciate the importance of the course materials. Seeing theory work in practice creates a sense of discovery, which makes learning more engaging and enjoyable.

We receive hundreds of letters from former X-Culture participants who share that the experience was so interesting that they read several additional books on International Business that were not even assigned for their course. Many also shared because of X-Culture they changed their majors to International Business.

A Better World

Most importantly, X-Culture makes the world less divided and less hostile.

Our research shows that X-Culture reduces prejudice against people of other cultures, increases interest in working with people from other cultures, and increases confidence in one's ability to complete a project with people from other cultures.

These are very important outcomes.

With every X-Culture graduate, we reduce the chance of international conflict. With every X-Culture graduate, we increase the chance of successful international collaboration.

Literally, the more people go through X-Culture, the less likely the next war is. The more people go through X-Culture, the more likely we are to collectively find solutions to the challenges we face as a civilization.

The Brief History of X-Culture

X-Culture Kids stems from the X-Culture Project.

X-Culture was launched in 2010 by Dr. Vas Taras. As he was preparing a new International Business course, he thought it would be a good idea to partner with a professor in another country who was teaching a similar course. The students from the two countries would work in international virtual teams on a term project, deal with the cultural differences, time zones, and in the process, experience the challenges and learn best practices of international collaboration.

To find a colleague in another country who was teaching a similar course, Dr. Taras sent out a call through the [Academy of International Business](#) mailing list. To his surprise, dozens of business professors around the world replied within hours.

Universities from 7 countries (about 400 students total) participated in X-Culture in the first round.

As of 2017-2, about 5,000 Master's and undergraduate students from over 130 universities in 40 countries on 6 continents participate in X-Culture each semester (see the [complete list here](#)).

Originally, X-Culture was envisioned only as an experiential learning exercise for students in university International Business courses. However, many new exciting programs have been developed around X-Culture.

In 2012, the first [X-Culture Global Symposium](#) was held in Florida as a part of the [AIB-SE](#) conference. Now, X-Culture Global Symposium is held twice a year. Best students from dozens of countries meet in person, meet their business clients, have a company tour, and a series of career development workshops and networking events.

In 2013, Mercedes-Benz partnered with X-Culture and presented a real-life business challenge for our students to solve. The students did well. Ever since, every semester, we select 5-10 companies that present their challenges for the students to solve.

Originally X-Culture was exclusively for MBA and college students. However, requests to expand the project to other demographics have been frequent from the project's inception.

Starting in 2014, X-Culture allowed corporate employees and other non-student professionals participate in the project. We are now testing the viability of X-Culture for pre-college kids and teens.

We are also testing a host of other X-Culture off-shoot programs, such as the X-Culture Business Week, Coaching Program, WikiDemix.org, VirtualTA.org, and MVP Prize.

X-Culture Kids

For the past seven years, X-Culture was open only to university students. Over 40,000 students have already participated in X-Culture, and about 5,000 more participate every semester.

Since 2015, non-student professionals can take part take the X-Culture training. People ages 19 to 60 take part in the project to gain international and business experience, acquire new skills and improve their chances of a promotion or an entirely new career.

Starting in 2018, pre-college students can participate in X-Culture, too.

Our tests show, children as young as 9 years old are fully capable of completing a project with their peers from other countries – and they could greatly benefit from this experience.

Of all the X-Culture spinoffs, X-Culture Kids probably has the best potential to make the world a better place. First, X-Culture Kids has a much larger target audience than X-Culture University.

There are about 12,000 universities in the world with a [web presence](#). Not all of them offer International Business courses and not all their students are fluent enough in English to participate in X-Culture. We estimate that in any given semester only about 50,000 students worldwide are enrolled in courses suitable for participation in X-Culture – and we already capture about 10% of that population.

The target population for X-Culture Kids is MUCH larger. There are about a billion people ages 9-17 worldwide. About half of them either speak English or try to learn English. Even if only 0.0001% of this population (1/10,000th of 1 percent, or only 1 in 100,000) participated in X-Culture, that would be 5,000 participants every semester, or up to three times that a year.

In other words, even if X-Culture Kids is 10,000 times less effective than X-Culture University at attracting potential participants, it will attract the same number of people every semester.

Imagine what impact we can have on the world if we capture 0.01% or 0.1% of that population.

Second, young minds are more malleable. X-Culture improves cultural intelligence, reduces prejudice and improves cultural self-efficacy, and the effect is likely stronger for younger participants. That means even less prejudice, even more interest in cross-cultural interactions, and even stronger collaboration skills after the X-Culture experience.

As a test, we invited applications for X-Culture Kids in 2017. Relying only on the word of mouth among X-Culture instructors, we received over 100 applications. The numbers will likely be many times more with proper advertising and promotion.

A few thousand pre-college participants per semester seems a very realistic goal.

The Terminology

The terminology to denote the different X-Culture participant cohorts is still evolving. For now, we use the following terms:

- *X-Culture*: The general X-Culture program for the X-Culture Project.
- *X-Culture University*: The program for MBA and college students who participate in X-Culture as part of our university coursework.
- *X-Culture Professionals*: The program for non-student adults participating in X-Culture, ages 18-65, who participate in the project on their own initiative rather as part of a formal university course.
- *X-Culture Kids*: a generic term for the program for pre-college participants.
We may use more fine-grained terms to refer to specific age cohorts.

X-Culture Kids: The program for kids ages 9-12.

X-Culture Teens: The program for kids ages 13-17.

We realize that older teenagers may not like to be called “kids”, so we may use an alternative unifying term, such as *X-Culture Pre-College*, *X-Culture Juniors*, *X-Culture Youth*, or *X-Culture School*.

HOW?

X-Culture Kids is a startup. There are many uncertainties and until we try we won't know what works best. The plan is to start with the same basic idea and project design that has served us well in X-Culture University.

However, because the participants will be younger and less prepared, some changes are necessary:

1. Age-appropriate challenges

Industries and products that are more relevant to younger populations will be selected for the challenges. For example, for the 2018-1 round, we have an agreement with a Lithuanian educational toy maker and a Colombian chocolate maker. Furthermore, the challenge questions will be less technical (e.g., less financial analysis) and instead more creative (e.g., more product design).

2. More rigorous selection

Most universities are selective and offer a rigorous training. The university students tend to be highly skilled. Also, X-Culture is part of a course grade, so the university students work hard to get good grades.

X-Culture Kids will not be pre-selected and trained by universities. They will receive no grades. To compensate for this reduced selectivity and extrinsic motivation, stricter selection will be needed, both to attract only most prepared applicants, and to make the project more prestigious to improve motivation.

3. More pre-project training

Unlike university students who already have much training and are enrolled in International Business courses, kids and teenagers will need to receive more rigorous pre-project training in online collaboration, cross-cultural communication, business report writing, and the like.

4. More gamification

For university students, the project is designed to resemble real business consulting projects: strict deadlines, dry communication, professional formatting of deliverables.

X-Culture Kids will rely on gamification and fun to provide the extra motivation.

5. Broader recruitment

A call for participants via the Academy of International Business is enough to attract many professors who enroll their students in X-Culture.

X-Culture Kids will require a more active and broad recruitment, including recruitment via personal contacts, direct solicitations, online recruitment, as well as via clubs and professional associations.

6. Company-like management

Most X-Culture professors are Ph.D.-holding experts in business and experienced educators. They provide all the necessary help because once X-Culture is part of their course, it is part of their job. This allowed us to build a global organization with a minimal budget.

The school teachers and parents of X-Culture Kids may not be as skilled and experienced as X-Culture professors. Also, some personnel will need to be hired, such as Regional Executive Directors, Recruitment Agents, contracted IT and marketing support services. Thus, X-Culture Kids will need to be managed more as a company, rather than as a research project.

Program Design

In the first iteration, the X-Culture Kids program design will look like the regular X-Culture University + more pre-project training and post-project reflections. As we gain experience with the program, the program design is likely to constantly evolve.

Pre-Project Training (4 weeks)

A series of gamified training modules, such as:

- The X-Culture Project: Purpose, History, Method, Vision
- Online Collaboration Tools (Skype, Doodle, Dropbox, Google Docs, WhatsApp, etc.)
- Cross-cultural communication
- How to be an effective global virtual team
- Effective presentation: The art of writing business proposals
- Plagiarism and academic referencing
- The basics of International Business

Practical Training (8 weeks)

The students work in global virtual teams:

- As the students are completing the project, they experience the challenges and learn best practices of working in teams, communicating online, dealing with time-zones, cultural differences, and more
- Students have live webinars with the CEOs of their client organizations, submit weekly deliverables, receive feedback, and make friends
- The teams submit their final business proposals

Post-Project Reflections (4 weeks)

After the reports are submitted:

- Students present their work in-class and/or in a live online teleconference
- Students write reflection papers where they reflect on their experiences

Post-Project Awards and Documentation

After the project is over, the students and instructors receive:

- X-Culture Global Collaboration Certificates (students)
- X-Culture Global Educator Certificates (teachers)
- Best Team awards
- Best Teacher awards
- The best students and instructors are invited to the X-Culture Symposium

X-Culture Kids will be offered concurrently with X-Culture University (2 times a year), plus likely an additional third round in the (northern hemisphere) summer as a virtual summer camp.

Benefits for Trainees

1. **International experience**
Complete a project in a team where each team member is from a different country.
2. **Business experience**
Solve a real business challenge for a real client company.
3. **New knowledge and skills**
Training in cross-cultural communication, online collaboration tools, international business, business writing and presentation, and more.
4. **Personal and professional network**
Friends around the world, contacts at many universities and several companies.
5. **Cultural intelligence**
A documented significant improvement in cultural intelligence from before to after the project.
6. **X-Culture Certificate and Recommendation Letter**
You learn and grow. We provide a documented proof.
7. **Stronger resume and improved chances of a new starts**
X-Culture experience makes you a much stronger applicant for a stipend or job.

Benefits for Teachers

1. **Enhanced student learning**
Compared to control groups (no X-Culture), students in courses with X-Culture [do better on exams](#).
2. **Improved teaching evaluations**
Compared to control groups, students who have X-Culture [give their teachers higher evaluations](#).
3. **Research and publications**
X-Culture is a great [research platform](#) that provides high-quality multi-source multi-level longitudinal data. If you are interested in scholarly work, X-Culture will provide you the necessary data.
4. **Professional network**
Meet the hundreds of educators and business professionals on the [X-Culture team](#).
5. **Documented proof of your achievement:**
[X-Culture Global Educator Certificate](#) and support letters sent to your principal or department head.
You do a great job; we make sure the world knows about it.
6. **X-Culture certificates for your students**
Students get [X-Culture International Business certificates](#), which help with college and job applications.
7. **Helps us make education more interactive and experiential:**
The workplace is becoming global. Learning how to work across cultures in classroom is like learning to swim on a football field. X-Culture is developing [new teaching methods](#) for the new today – and you can be part of our team.

Recruitment

X-Culture Kids is being developed based on years of experience with X-Culture University.

We already have 90% of the building blocks: a recognizable and trusted brand, an effective program model, training materials, a system for participant management, performance monitoring, data collection, templates for pre- and post-project documentation, a large online following, and the like.

The biggest immediate challenge of X-Culture Kids is recruitment.

X-Culture offers a great value to the students and teachers. Most parents/teachers would probably want to enroll their children/students in X-Culture – ... **if only they knew about it.**

X-Culture is a platform project. Its value lies in the variety of participants. It is useful *because* and *only if* people from different countries participate in it.

X-Culture Kids would be viable even if a small group of children from only 4-5 countries took part in it. However, a much larger and diverse group offers economies of scales and gives the project is allure and credibility.

Thus, the biggest immediate tasks and the key to success of X-Culture Kids is to inform the potential participants about this wonderful opportunity.

Since there is no global professional association of parents of school teachers akin the Academy of International Business that could serve as a universal recruitment channel, X-Culture Kids will have to rely on other channels to inform potential participants about this wonderful opportunity, such as:

1. Word of mouth

X-Culture University has about 40,000 alumni, and about 5,000 more participate every semester. Our research shows that about 90% of them find the X-Culture experience to be useful or very useful for their future career.

Additionally, almost 600 professors have participated in X-Culture. About 250 of them participate on a regular basis and are avid supporters of the project.

We also have about 20,000 X-Culture Newsletter subscribers and 80,000 Facebook followers.

Happy former X-Culture participants and project fans could provide great help with recruitment.

2. Local recruitment agents

Personal meetings with teachers, administrators, and leaders of local youth and parent clubs and other educational and social organizations could be a very effective recruitment channel.

Unlike former participants who would share the information about the program only occasionally and only with a small number of friends and family, local representatives can be hired to promote X-Culture on a permanent basis. They can work part- or full-time.

The most effective local representatives would likely be teachers or other educators who believe in the X-Culture cause and seek additional income on the side. However, they could also be hired full-time employees whose only job is to act as X-Culture's local recruitment agent.

3. Advertisement in local media

Where feasible, local representatives can be given a budget to place ads in local newspapers or magazines in locations where such promotion channels may be feasible.

4. Targeted promotion

A Google search makes it easy to find relevant organizations in cities where X-Culture wishes to recruit participants (schools, youth and parent clubs, etc.). Brochures and other promo materials can be mailed or emailed to them directly. It is probably best if the local representatives curated this process, as the local market and language knowledge may be necessary to ensure a high conversion rate.

5. Conferences

Local, regional, and international conferences for teachers and other educators can be attended by X-Culture representatives to promote the project.

6. Online

Probably the most promising promotion channel is the Internet.

Promotion via social platforms and by using targeted online advertisement is probably going to be most effective.

Advertising via Facebook, Google, and their affiliates allows for a relatively inexpensive way to reach our target audience, such as parents of children ages 9-16 interested in extra-curricular activities and training opportunities for their children. The categories can be specified remarkably accurately and include geographic location, language, interests, and more.

7. Online community

An online community (or separate communities) of like-minded teachers, parents, youth club leaders and youths can be created to provide a platform for idea exchange and socializing. It could be a discussion forum and a source of ideas and links to new training and learning tools, educational project, blogs, and more. We can also organize webinars with leading educators, successful project participants, authors of books on the topic, popular bloggers, and more.

While some of these promotion channels appear more promising than others, the plan is to start with testing them all first and then focus on those that provide the best return on investment.

We will continue experimenting and innovating with recruitment strategies and tactics both for program development and research purposes.

A Coherent Recruitment System

Regardless of how the initial contact with the potential X-Culture Kids participants occurs, it is likely the path to the enrolment will be multi-step.

X-Culture will be an unfamiliar concept and organization to most potential X-Culture participants. Thus, a system must be built that will allow them to gradually gather more information and better understand what we are offering and how things work at X-Culture before they are ready to enroll their kids or students in the project.

The process may involve the following steps, not necessarily in this order:

1. Initial Contact:

The potential participant (teacher, youth club leader, parent, teenager) learns about X-Culture from a former X-Culture participant, a local representative, an online ad, or in a local magazine or newspaper.

2. Familiarization:

Some participants may enroll right after the initial contact, but most probably will want to collect more information via:

- The X-Culture Kids website
- An online webinar that describes in detail what X-Culture is, how it works, and what it offers. The webinars can be live (e.g., weekly) or pre-recorded.
- A phone call with the local representative or a central office representative for more information.
- Request an information package (e.g., brochure, Teacher Handbook, Parent Handbook, etc.)

3. Joining the community

Most serious potential participants will likely enroll after the familiarization stage, or some may decide X-Culture is not for them and drop out for good.

However, some may choose to postpone their final decision and instead choose to stay connected for the time being via:

- Sign up for our newsletter
- Follow us on Facebook, YouTube, and other social media
- Participate in our webinars and discussion forums

This will allow them to stay informed about the project and enroll when they are ready.

NOTE: Described here are only the basic elements of the recruitment strategy. For example, the *online* recruitment strategy may be built around a sophisticated conversion funnel that involves multi-stage promotion and lead generation, landing pages, webinars, appointments, chats, scripted and unscripted calls, re-targeting, and conversion funnel tactics.

The key point is that we would like to have the entire system in place where online, local representatives, central office and global community work together to inform the largest possible number of potential project participants about this wonderful opportunity, provide more information about the project before the person enrolls in X-Culture, and allow them to stay informed about the developments at X-Culture for future references.

We are offering a very valuable opportunity for kids to learn new skills, gain new experiences, meet people around the world and greatly improve their chances of a successful career. We are yet to calculate the exact return on investment in X-Culture for the trainees, but it is certain that the time and the little money the project participants invest are returned many times in the form of scholarships at better universities, better jobs, personal growth, self-actualization, and social satisfaction.

IMPORTANT: The goal of our recruitment strategy is not to get as much money as possible for a product the customer may not even need. We offer an extremely valuable opportunity. The goal of our recruitment campaign is not to sell, but to inform. In fact, if after learning about X-Culture the potential participant appears hesitant, we will recommend that they do not enroll unless they are sure. We do not want participants who are not fully committed and may drop out in the middle of the project.

It's all about informing about this unique wonderful opportunity. Not trying to sell. Inform.

Organizational Structure

The organizational structure of X-Culture Kids will be a little different from that of X-Culture University.

All X-Culture University students have professors whose job is to offer their students quality training and to do and publish research. The professors provide help with various tasks and functions. The recruitment is done primarily via professional academic networks. This allows running the project with a minimal budget and no permanent full-time personnel.

It is possible that pedagogy professors will join and use the X-Culture Kids project as a research lab. Likewise, school teachers will also likely see X-Culture Kids as part of their job and will volunteer and help with various tasks and functions.

However, X-Culture Kids will rely on a much more laborious recruitment strategy and the project management will require at least some permanent staff. The plan is to use the following organizational structure, subject to change if experience will suggest a better solution.

Phase 1: Pilot **November 1, 2017 – May 31, 2018**

The first iteration of the project will be experimental.

Several Regional Executive Directors will be hired and given full autonomy to try various recruitment strategies. They will also be actively involved in program development with the goal of developing a program design that is engaging, developmental, and culturally sensitive.

X-Culture Admin

Global coordination and transfer of organizational knowledge from X-Culture University to X-Culture Kids

- Coordination of the efforts of different stakeholders
- Complete support system (project materials, website, printed materials, data collection, etc.)
- Legal (company registration, contracts, etc.)
- Accounting (banking, invoices, receipts, payroll)
- Other contracting and personnel management

Regional Executive Directors

Paid part-time or full-time employees who help with:

- Development of recruitment strategy for a specific region (a city, a country, a region, or a global online segment, such as Facebook)
- Local and online recruitment relying on first-hand knowledge of the local culture, institutions, laws, and regulations
- Help with project design and development
- Serve as a business liaison
- Community building
- Development of training materials
- Website and other online presence
- Organize local X-Culture events (symposia, roundtables, etc.)
- Take part in and help organize the X-Culture Global Symposium

Regional Executive Directors can choose to specialize in a certain geographic area or an online segment (e.g., Facebook, YouTube, Google AdWords). They can also request that a separate X-Culture Kids web page is created for them to test the effectiveness of different page designs, or if there is a need for a page in the local language.

Liaisons

Unpaid project supporters (former participants, professors, online followers)

- Help spread the word about the newly-launched X-Culture Kids
- Provide occasional program development tips and ideas

Phase 2: Beta

June 1, 2018 – December 31, 2018

X-Culture Kids Global CEO

The hope is that during the Pilot run a person will emerge from among the Regional Executive Directors who will be ready to assume the role of the project CEO as a full-time position.

The CEO will manage all everyday activities and coordination, while the X-Culture Admin will continue providing the link between the larger X-Culture organization and the X-Culture Kids spinoff.

Regional Executive Directors

Depending on the Pilot experience, Regional Executive Directors will likely stay as part of the organizational structure and continue managing our operations in certain geographic regions or be responsible for certain online segments.

In addition to their functions listed above, and depending on their results, Regional Executive Directors may be allowed to hire local staff (e.g., secretary, recruitment agents), rent office space, and engage more in community building activities.

Recruitment Agents

The feasibility of this idea is questionable, but if a Regional Executive Director makes a case for the need to hire recruitment agents in a certain geographic area, we are open to this idea. In locations where personal contact is the only way to inform potential participants of the X-Culture opportunity, and the Regional Executive Director is not able to visit all schools and other recruitment sites, the Regional Executive Director may be allowed to hire additional personnel.

Contracted Services

Additional marketing and online presence help may be contracted or in-house personnel may be hired to oversee those functions.

For example, it is likely that the online recruitment via Facebook, YouTube, and Google AdWords will emerge as a very effective recruitment strategy. In that case, we may expand our investment in professional online promotion support. These activities can be coordinated centrally, or Regional Executive Directors can be responsible for working with local online marketing companies, or a separate Chief Online Recruitment Officer position will be created.

Liaisons

We will continue relying on our fans and supporters to spread the word about X-Culture.

Pricing

X-Culture Kids cannot be free.

- *Personnel and material cost:* To be successful, the project needs resources to hire personnel for project management, recruitment, and development, as well as provide proper online and technical support.
- *Perceived value:* Free is not valued. When the product is unfamiliar and the customers have no experience with similar products to judge the true value, the price is often the only factor that signals the value of the product. Free is often perceived to have low or even negative utility (they benefit from my participation).
- *Selection tool:* Free-riding is a very common program in global virtual teams. X-Culture appears like a very valuable experience and many people may enroll on an impulse. The project is very demanding and we cannot afford to accept people who are not fully committed. A dropout in the middle of the project can spoil the experience for the entire team. A participation fee is a test of the interest and commitment. If the person is not motivated enough to make a small payment, the person will likely be not motivated enough to actively work in a team throughout the project.

Price

X-Culture is a non-profit. We do not seek to get as much money as our participants are willing to pay. Our goal is to raise enough money to offer competitive compensation to our personnel and pay for contracted services and other operational expenses.

The pricing may need to be different for different regions and be commensurable with the price of other educational programs and courses, camps, or membership in youth organizations and clubs.

The exact pricing will need to be set in collaboration with Regional Executive Directors and based on experiments with the different pricing levels and models.

We consider the following price point for the four-month pilot program:

- Individual participant (enrolled by a parent) \$195
- Class (enrolled by a teacher as a group) \$275

The working plan is to have one price for everyone, but allow people from from developing countries (GPD/capita >\$15,000) to apply for participation stipends that will a substantial portion of the participation fee. If the participation stipend is around \$150, the remaining amount (to be paid) would be:

- Individual participant (enrolled by a parent): \$45
- Class (enrolled by a teacher as a group) \$125

Ultimately though, **the pricing decisions will be up to the Regional Executive Directors.** They know best the economic conditions and banking regulations in their region. If much of their compensation will depend on the revenue they generate, it will be in their interest to set the price for their region that ensures the highest revenue.

The following exceptions are possible:

- *A much larger fee* may be feasible in highly developed regions where comparable training programs cost much more. A training fee below certain price point may be sending a wrong signal about the value. The program may not be perceived as valuable enough unless the fee is raised to a higher level.

- *A much lower fee* may be charged in some economically depressed regions where parents or schools may have difficulties to pay even a reasonably small fee. Participation of kids from those regions will enrich the experience of other X-Culture Kids participants, so even if they must pay only a very small fee that does not even cover our marginal operating expenses, it may be beneficial for the program to allow their enrollment at a deeply discounted price.
- *Free participation* may be allowed in exceptional cases when the local banking regulations do not allow international payments or when the academic culture is such that paying for training and education is uncommon. This option may be reserved only for schools from certain E.U. countries where education is completely free and paying for an educational program that is part of the school curriculum is unheard of. However, these participants may be asked to pay for the certificates and recommendation letters or for other post-project services.

Regional Executive Director Compensation

Our mission is to make the world a better place, not to make money. However, we can accomplish that mission more effectively when our Regional Executive Directors receive fair compensation for their efforts and time.

For the Pilot run, the Regional Executive Directors will be offered a *base salary* and *after-market commission* on the revenue they generate. Additionally, the Regional Executive Directors can request a marketing budget, if needed.

Base salary:

It is uncertain if the Regional Executive Directors will be able to generate enough revenue through training fees from the participants they recruited. A base salary will be offered to cover their basic operating expenses, such as transportation expenses and the time invested in the project.

Of course, the concern is that a person may apply to serve as a Regional Executive Director, but do absolutely nothing and just collect the salary. We have no way of monitoring the Regional Executive Director's actual work, so we may need to impose certain contingencies on the base salary, such as a minimum result requirement.

It is also not clear if the base salary should be different in different locations. Obviously, the cost of living is different in different cities and those living in more expensive location may expect a higher level of compensation.

On the other hand, the basic expenses, such as the cost of transportation or computing equipment is approximately the same globally, so it could be suggested that the base salary should be the same everywhere.

The Regional Executive Directors living in areas with the higher cost of living will also receive a much higher commission because the training fee for participants from those regions is likely to be much higher.

After-market commission:

The main source of compensation for the Regional Executive Directors is expected to be the commission on the revenue they generate through training fees.

As noted earlier, the Regional Executive Directors will be allowed to set the pricing for their region. Presumably, the price will be much higher for the participants from the more economically developed regions. Thus, while the after-market commission rate (%) will be the same for all Regional Executive Directors, those working in areas with the high cost of living will also be generating much larger revenue and thus receiving much higher nominal compensation.

Marketing budget:

Regional Executive Directors can request a marketing budget to cover the print of their business cards, brochures, mailing expenses, and advertisement in local media if needed. Our resources are very limited, so we will NOT be able to pay for every advertisement idea. For example, it is almost certain that we will not be able to pay for advertisement on TV or in local generic newspapers. It is too expensive and too broad to be effective.

However, if a Regional Executive Director wants to place an ad in a professional newsletter or magazine for local teachers or school principals, or place an ad on an online forum for local parents seeking educational opportunities for their children, as long as the cost-benefit analysis makes sense, we will be happy to fund the marketing initiative.

Bonuses and Incentives

We are also prepared to offer bonuses or other rewards to the most effective Regional Executive Directors, such as a travel stipend to attend the upcoming X-Culture Global Symposia or the like.

The Pilot (Trial Period) Compensation Levels

November 1, 2017 – May 31, 2018

Goal: \$300-\$500 per month in total compensation, provided acceptable results.

The Pilot is treated as an employment trial period. There will be no long-term contracts and the compensation levels are set at a minimum. The compensation level will significantly increase in subsequent rounds when we have performance data for each Regional Executive Director and know who is likely to do a good job in the long run.

- Base salary: **\$200 per month.**
Contingent upon a minimum performance level equal to a recruitment of a minimum of 50 paying individual participants or 5 paying classes.
- Commission: **20%** of the training fees revenue.

Individual participants: Assuming average global training fee of about \$75 per kid enrolled individually, and assuming a Regional Executive Director will be able to recruit about 100 participants, that would be an additional \$1,500 in commission added to the compensation (more for more developed countries where the price is higher, and less for the less developed countries where the price is lower).

Classes with teachers: Assuming average global training fee of about \$160 per class, and assuming a Regional Executive Director will be able to recruit about 10 classes, that would be an additional \$320 in compensation (again, more for developed countries and possibly less for developing).

- Marketing Budget: It would have to be determined on the individual basis. Business cards and printed materials should be no problem, while other requests would need be reviewed more carefully.

Additional bonuses may be available for Regional Executive Directors who provide especially valuable input in program design and development or to account for special economic circumstances.

We plan to run X-Culture Kids three times a year, on a four-month cycle. Based on the figures provided above, that would add up to about $\$200 + \$1500/4 + \$320/4 = \655 per month during the four-month cycle.

Post-Pilot Test Compensation Levels

After May 31, 2018

Goal: \$500-\$5,000 per month in total compensation, provided acceptable results.

- The base salary will gradually increase to match median compensation levels in the region for comparable work.
- The 20% after-market commission rate will remain the same. However, it is expected that the Regional Executive Directors will develop their professional networks and recruitment techniques, which will allow them to recruit much larger numbers of participants, thereby greatly improving their total compensation levels.
- The marketing budget may be greatly increased if the return on investment is confirmed to be viable. For example, if it is confirmed that direct mailing or online advertisement conversion rate ensures a x2 or more return on investment, it would only make sense to invest more in this form of marketing.

Growth Opportunities

Global CEO

As noted earlier, one of the Regional Executive Directors will assume the role of the X-Culture Kids Global CEO.

Full-Size Regional Offices

X-Culture University attracts about 10,000 participants per year and the number continues to grow. The market size for X-Culture Kids is much larger, so 5,000 to 10,000 participants per semester or 10,000 to 20,000 participants per year look like very attainable figures.

At a global average of \$75 per trainee, that translates to a total revenue of \$750,000 to \$1,500,000 a year. Even at ½ or ¼ of this level, it would make sense to open regional offices and we will have the resources to organize regular regional and global events (conferences, summer camps, and more).

The original X-Culture project has already sprouted several new projects, such as the X-Culture Research Hackathon, X-Culture Global Symposium, and we are about to launch WikiDemix.org, VirtualTA.org, and MPV Prize.

It is very likely that X-Culture Kids will lead to new currently-unknown ventures, similar to the X-Culture University spinoffs such as X-Culture Global Symposium, WikiDemix, Virtual TA, and the like.

With their experience and organizational knowledge, X-Culture Kids Regional Executive Directors would obviously be first in line to take assume leading roles in these new developments.

Professional Development and Research Opportunities

X-Culture is a unique research and professional development platform. Six Ph.D. students have already defended their doctoral dissertations using X-Culture data. Many more have received teaching awards and promotions thanks to their X-Culture experience.

It is expected that X-Culture Kids will be an equally effective platform for professional networking and growth. No doubt many project associates, including Regional Executive Directors, will publish papers, books, and dissertations based on X-Culture data and their personal experiences with the project, receive teaching and field awards, get promotions, and greatly expand their personal and professional networks.

Timeline

- Nov 2018: Start hiring Regional Executive Directors.
Start recruitment of participants.
Start building online community via blogging, webinars with leading educators, etc.
Start working on the development of the project materials.
Update the already existing X-Culture Kids webpage as per Regional Executive Directors' input.
- Dec 2018: X-Culture Team is fully formed, including Regional Executive Directors, Admin / IT support, etc.
The recruitment campaign in full swing.
Already have two partner companies, but look for more interesting business partners.
Applications start streaming in.
Active experimentation with different recruitment channels and strategies.
Project design actively updated and refined.
- Jan 2018: Final preparation and refinement of the project materials.
Recruitment campaign in full swing.
Applications streaming in.
Start sending out acceptance letters.
Finalize the list of partner companies.
Continue active experimentation with different recruitment channels and strategies.
Project design finalized but may be working on some final touches.
- Feb 2018: **February 5: Pre-Project Training Phase Starts**
Application process finalized, though some last-minute applicants still accepted.
Acceptance letters sent out.
Project participants have access to the project materials.
- Mar 2018 **March 5: Project Starts**
Regional Executive Directors provide support to teachers, parents, kids throughout the project.
Webinars with the company CEOs, experience sharing webinars for teachers and parents, etc.
Active preparation for the next semester starts, both in terms of the new round of recruitment, as well as in terms of updating the project design.
- Apr 2018 Project continues and everyone provides the necessary support
Preparation and recruitment for the next semester in full swing
- May 2018 **May 5: Practical Phase of the Project Ends**
Start working on post-project activities
Team presentations
Post-project reflection webinars
Writing reflection and research papers
Preparation and recruitment for the next semester in full swing
- Jun 2018 Post-project documentation (Certificates, recommendation letters, performance reports, etc.)

During the Pilot trial period, the Regional Executive Directors' performance will be evaluated monthly. Assuming the parties are happy with each other's performance (Regional Executive Directors want to continue and X-Culture wants them to continue), the payments will be made at the end of the month and contracts will be extended until the next month's review period.

Probability of Success vs. Failure

X-Culture Kids is a startup. It can turn out to be extremely successful and have a 7-figure revenue, or it can fail.

Negative Factors

I wish I could say that we are guaranteed to succeed and change the world, but the statistics on the startup failure rate moderates my optimism. According to J. Calacanis:

1. 99% of people who write a business idea on the back of a napkin never do it.
2. 95% who write a business plan never execute on it.
3. 90% who build a prototype never build an MVP.
4. 80% who build an MVP never do a beta-test.
5. 80% who do a beta-test never incorporate.
6. 90% who run a successful beta never raise money.
7. 80% who do raise money and launch the business fail.

In other words, only 4 in a million (or 0.000004%) ideas written on napkins become viable businesses.

Importantly, the businesses fail largely because (1) the authors of the business idea do not work hard enough on it, (2) the business idea is bad, or (3) a matter of luck or other uncontrollable factors.

Positive Factors

The good news about X-Culture Kids is that we have already successfully cleared most of the initial start-up stages.

1. The idea has been “written on a napkin”.
2. X-Culture was launched and grew into a global organization.
3. We already have a working prototype and MVP of the X-Culture concept and related products (X-Culture University, X-Culture Global Symposium, X-Culture Coaching, X-Culture Hackathon, X-Culture online community including Facebook and newsletter, X-Culture Alumni Association).
4. We have done a beta-testing of the demand and received many applications with minimal advertising.
5. We are already incorporated.
6. We already have the necessary capital to launch the new venture.

So, we have already successfully passed 6 out of 7 startup stages. Statistically speaking, our chances of success are at least 20%.

However, we three more factors that can greatly increase our chances of success:

- + We already have a reputable global brand.
- + We already have a global community of X-Culture former participants and fans.
- + And we know we can do things. It required thousands of hours to build X-Culture and we did it and did it well with virtually no financial support. That allows us to believe that we'll put the necessary effort in X-Culture Kids.

I would say our chances of success are around 50%, which is way better than 0.000004% for a brand-new startup idea.

However, 50% is not 100%. Before you fully commit to this project, please keep that in mind.