

Executive Summary



www.greenwold.com

GreenPal Language & Friendship Club



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Presented by Greenwold Interactive Inc.

1.0 Executive Summary

1.1 Problem

Most parents in China and many other non English speaking countries want their children to learn the English language. Not just conversational English but an in-depth understanding of the structure of the language as learnt by children of parents in English language countries.

Chinese parents also want their children to speak English without a Chinese accent as their feeling is; ground-up knowledge and fluency in the English language provides their children with far greater opportunities in the job market and in business. However, cost is a very big factor for a majority of Chinese families as is lack of brick and mortar facilities. The wealthier Chinese families have the resources to enroll their children in the high end English language programs available in the big cities or to send their children overseas to learn English at immersion schools where they live with families and attend full time school for tuition blocks that can run from 3 months to a year. A vast majority of middle class and working class Chinese do not have these options available to them but will willingly pay for their children to learn “proper” English in an online system provided at an affordable price.

Another factor in the demand for learning English is; many Chinese parents are becoming tired of an education system that relentlessly focuses on academic scores at the expense of a child’s overall development. A growing number of Chinese families are prepared to make sacrifices for the sake of a broader education for their children, a factor that includes learning comprehensive English to a level that will provide greater job opportunities both in China and abroad.

Learning a new language is one of best tools to help a child do well in school and in the child’s post-education working and professional life. This has been proven with the French immersion system in Canada, a program that has become so popular a growing number of schools are offering French Immersion and there are now waiting lists at most schools across the country that provide the French Immersion program. The writer has personal knowledge of the advantages provided to children with two or more languages having 3 children who went through the French Immersion program from pre-school to college.

As with any language, Chinese is best learned at a very young age. Chinese is a monosyllabic language — each character has only one syllable, and most of the sounds of Chinese characters begin with a consonant and end with a vowel. Each character is clearly pronounced, unlike the flow of the sounds of English words. Based on these patterns, some pronunciation challenges that older Chinese students face when learning English include:

- the absence of the English sound such as /v/, and /th/ (Students may pronounce /v/ as /w/ in a word like "very", and may pronounce /th/ as /s/ or /z/ in words such as "tooth", "they" etc.)
- the absence of the English consonant clusters such as /tr/, /dr/, /st/, /pl/ (Students may find it hard to blend the two consonant sounds, and it may take them a lot of practice to learn how to blend two sounds into one.)

- a tendency to pronounce each syllable in an English word too clearly (Students may add a vowel sound after certain consonants, breaking the flow of English and making it sound choppy sometimes.)
- a tendency to add a vowel after some consonants (For example, adding /ə:/ to consonants like "s", "x", "t", "d", "k", etc. Even I still find it hard not to add that /ə:/ sound after "k" and "d" in "asked," and after "t" in "football.")

Young children in the 0 – 5 age range are likened to sponges. They soak in information and don't stop for a moment to think they cannot do something. Exposing a child to a second language while young allows him or her to optimize his or her learning potential, helping to shape the brain at its most flexible stage. Young children are uniquely suited to learning a second language. Learning a second language at a young age is cognitively as easy as learning a first language.

1.2 Solution

Young language learners can acquire native-like fluency as easily as they learned to walk, in contrast to an adult language learner. Where adult learners have to work through an established first-language system, studying explicit grammar rules and practicing rote drills, the young learner learns naturally, absorbing the sounds, structures, intonation patterns and rules of a second language intuitively, as they did their mother tongue. The young brain is inherently flexible, uniquely hard-wired to acquire language naturally.

There are several options available for Chinese parents who want their children to learn English, none of them are inexpensive. They include the following options, none of which are tailored to very young children, the age group that find learning a new language the easiest;

- sending their children to ESL schools in English speaking countries where the children stay with home-stay families; Costs run between \$2,000 and \$4,000 per month
- learning online; Costs run from \$50 to \$750 per month
- attending ESL schools in China. Costs run between \$50 and \$200 per hour for one on one lessons.

The **GreanPal brand** is a sub-brand of the **Greanwold** brand that is owned by **Greanwold Interactive Inc.**, a British Columbia, Canada Corporation. The company is in the business of developing for commercial purposes, the Greanwold property for children ages 4 – 10. The property also goes under other names; **Greanwold the Minosaur** (Minosaurs are small dragons) and **Greanwold's World** and is also branded under the following organizations; The **Greanwold Foundation for Kids Worldwide** (where a portion of the profits from revenues generated will go to children in peril) and **Greanwold's Green World** (teaching children the importance of sustainability and maintaining a healthy earth).

The **GreanPal** system, called the **GreanPal Language & Friendship Club**, will be accessed either through desktop or laptop computer or through mobile devices and is tailored for the young child. The service will be available 24 hours a day and 7 days a week and will take into account the various time zones across the world. For example, China is 15 hours ahead of the

west coast of North America. Therefore a child logged into a lesson in GreanPal at 7:00PM in China; it will be 4:00AM on the west coast of North America. Each lesson will be overseen by a "monitor" who will oversee and tutor, using language software, up to 5 children online at a time. Monitors will be required to have flexible hours and be available to take into account the different time zones around the globe. As the world now embraces a global market made more so by the advent of the internet, the company could hire monitors from many countries. Location is not a concern but monitors will be required to be natural English speakers, preferably with some ESL experience and/or some college or university education. The **GreanPal system** will be efficient, fun, simple to use and most importantly, will be affordable to Chinese working class families. Most importantly for parents, it will be secure.

Management is in negotiation with several language software companies has received a contract from Rosetta Stone with very favorable terms. Rosetta Stone signed a Non Disclosure / Non-Circumvention agreement with the company. An agreement with one provider is expected to be finalized by mid beginning of March 2017.

1.3 Market

One might assume that China's stagnating economy might decrease the demand for expensive English courses, however, the opposite has proved to be true. A command of the English language is a major contributing factor to finding a job in China's slowing economy, and China's increasingly global business market demands employees who are fluent in English.

A recent article by China Daily discussed that many English language centers are now offering specialized adult classes such as "how to conduct a meeting" or "interview in English." The average age of these classes ranges from 18 - 30-year-olds looking to develop their careers.

The first stage of the **Greanpal** system will be rolled out for the Chinese market, targeting parents and caregivers in mainland China and Taiwan with children between the ages of 2 (not all 2 year olds but those with the ability) and 12 or as high as 14. Management has carried out studies of the market and has determined this is the most relevant market to target initially.

Andrew Kipnis, an anthropologist at Australian National University and author of a recent book on the intense desire for education in China, says the amount spent on education by Chinese parents is "becoming extreme".

It is not just middle-class families. Workers also want their children to do better than themselves and see education as the only means of ensuring social mobility. Some go deeply into debt to enable their children to learn English.

"Families are spending less on other things. There are many cases of rural parents not buying healthcare that their doctors urge on them. Part of the reason is that they would rather spend the money on their children's education," said Mr Kipnis.

The market base for the GreanPal system's programs falls into one of two categories.

- The first is the children of middle class working people who feel the need for their children to learn a foreign language (mainly English) for a desire to have more options in future career opportunities. These parents feel they cannot afford local one-on-one tutoring, but have the resources and the desire for their children to learn in an online structure to learn the new language.
- Parents who understand and embrace the technology of the internet as a learning tool and as a means of reducing cost of language lessons and see the language learning process and as a means for their children to have extensive social interaction with native language speakers via the GreanPal PenPal system..

The ideal customers for the GreanPal program are the growing middle class in China. This market segment recognize the importance of having English as a second language in a world that is increasingly becoming more English speaking. Again, these parents cannot afford local one-on-one tutoring, but are connected to the internet and have a computer or mobile device to make use of language learning on an online program. **GreanPal** targets customers with the following characteristics:

- Parents and caregivers of children 1(some children are mature enough at this age) to 8 or 10 years of age.
- Parents, caregivers, grandparents of children in the market age who want their children (or grandchildren) to learn accent free English.
- Families with an annual income of between \$30,000 and \$100,000 per year.
- Parents who recognize that two or more languages are advantageous to their children's career and acceptance when travelling to or working in other countries.
- Own or have access to a computer or a tablet of a mobile device and who also have access to high speed internet connection.
- Parents who wish to create expanded career opportunities for their children in fields requiring greater mastery of English.
- Originally from mainland China.
- The company will begin business with the China market.

1.4 The Chinese Market

Chinese parents are having their children learn English earlier, according to a survey published by the China Youth Daily in May 2016. English has been introduced in primary schools, but more parents are starting their children on the second language before the age of five.

Nearly 70 percent of the 2,003 respondents reported that their own children or children they know started learning English before five years old, mainly due to Chinese parents' fixation on giving children an early advantage.

Another major reason is that parents believe it is more effective to cultivate children's language skills at an early age. Many parents send their kids to early childhood English-language learning institutions, though they can be pricey. Some 39 percent of respondents said parents pay between 10,000 yuan (\$1,524) and 20,000 yuan (\$3,000) annually to such institutions. Fu Lili, a mother of a four year old, said learning institutions with native English-speaking teachers can

charge higher prices. Yet not all parents have faith in such learning institutions, as more than 20 percent of the total said they have seen little effect on children's learning.

Shi Longwei, associate professor of education at Southwest University said. "It is more important for children to have the freedom to grow and develop their own interest". This is where the big advantage of the GreanPal system comes in to play. At all times, a parent will be involved with a child while online and can learn along with the child.

1.5 Competition

In 2008, China already contained 5,000 private language schools, ranging from small family-run businesses to large chains like New Oriental, with 2.5 million students of all ages enrolled.

By 2013, that number had grown to over 30,000,000 English students in China (about the size of the entire US population), accounting for one-third of mainland Chinese residents.

As proof of this growth, Wall Street English, one of the largest private language institutions in China, is currently employing a \$15.6 million USD refurbishment plan, with eight new centers in cities like Chongqing, Chengdu, and Wuhan opening next year. Wall Street English already has 66,000 students in China, which contributes to 30% of its global business.

The top online language websites are;

- Tutor Group, the leading online education platform and largest online English-language learning institution in the world.
- The Live Lingua Project is part of a commitment to helping as many people as possible learn a foreign language.
- ePALS Classroom Exchange, the Internet's largest collaborative classroom network.

The competitive advantage of the GreanPal services is the focus on very young children; it provides a pen-pal option allowing young Chinese children to befriend other children of the same age in English speaking countries and offers value added free membership in an online virtual world of video games, mini games, contests and entertainment for the target market age group: IE Greanwold's World, that can be viewed on a preliminary website at www.greanwold.com

1.6 Financial Highlights

The value of the English-training market in China in 2015 was \$4.5 billion USD and some analysts predict that this market will continue to grow at a rate of 12-15% over the course of the next few years.

The company has determined a monthly fee of \$300 per month or \$3,000 annually that includes the following material and benefits.

- 5 online lessons per week of 1 hour per lesson.
- A GreanPal Member personalized T-shirt and other paraphernalia that encourages children to be part of the fun of the GreanPal learning system.

- Unlimited membership in the GreanPal Friendship Club.
- A Greanwold Minosaur Globe and 1 year online membership in games, contest and other aspects that promote friendship, exercise and a healthy lifestyle..
- Discounts for Greanwold / GreanPal products. (More on this to come).

For a parent who wishes to pay in advance, the company will offer 12 months of prepaid language lessons for the cost of 10.

According to the website www.chinahighlights.com, China has a population of children between ages of 1 and 12 of over 300,000,000. Management has projected student enrollment of approximately 2,500 students in the first full year of operation providing gross revenues of between \$7.0M and \$7.5M. According to Business Info Insider, profit margin for the online Info. Tech Industry was 19.4% in 2015. This would equate to margins of between \$1,358,000 and \$1,455,000 dollars for year one of **GreanPal** operation.

Management are still finalizing fixed overheads, startup costs and operating costs and hope to have them completed by November, 2016. At that time, a complete business plan will be available for review by interested parties.

1.7 Management and Advisors

GreanPal Language and Greanwold Interactive Inc are wholly owned subsidiaries of You N Me Productions Corp and will be managed by the current board of directors comprised of;

Michael Trigg (Founder): CEO, You N Me Productions Corp. 45 years management and sales experience in industries that include automotive, insurance, sales and marketing, television finance and production and a business consultant.

James A. Douglas: Director, Chartered Management Accountant. CEO Greanwold Interactive Inc. and CFO You N Me Productions Corp. 40 years of business planning and accountancy both in the government and private sectors.

Peter Scarth: Director, Greanwold Interactive Inc. 23 years VP Media and Film with Kodak Inc.

Gary Bizzo: Director, Greanwold Interactive Inc. Probably one of the best known entrepreneurs in Western Canada. Motivational speaker, author, businessman.

Robert Montgomery: Has an extensive background in branding, licensing, marketing, entertainment and sales and is a past executive with **Time Warner**. Robert will play a key role in representing the US market for the company and the Greanwold brand internationally.

CEKAV LLC: Bangalore, India. CEKAV have many years experience in web design, animation, mobile platforms, SEO and animation production and are an integral part of the Greanwold brand.

Advisors, China

Meggi Ma: CEO and Owner, Zong Heng Education Inc. A Richmond, BC based school that teaches both Mandarin and ESL. Meggie originates from Shanghai and has 20 years of teaching experience.

Lily Qin: Retired school teacher. A native of China. Fluent in both English and Mandarin with many connections in the marketing business in China. A director of an English language school in Beijing.

Tony Dong: CEO and Owner of Tecus.ca, a Smart Home Security Service. A native of China, Tony has many connections in industry in China.

Advisors, Canada

George Mrsic: Director, Greanwold Interactive Inc. Owner of Cheeky Penguin Websites Inc and Local Web Guys Marketing Corp. George is a self employed businessman with many years experience in web building and SEO marketing.

Edgar Froese: Retired computer systems engineer and university lecturer.

Cynde Harmon, CA: CEO. Really Real Films Inc. Vancouver, BC.

Charles Brooks: Professional Engineer with more than 30 years broad experience in business and technology. Provided top-drawer recruitment services to the British Columbia high-technology community, specializing in electronics and embedded software professionals.

NOTE: Bio's are available upon request.

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