



**COMBINING EDUCATIONAL CENTER YES (YOUR ENGLISH SCHOOL) AND COFFEE SHOP “BARISTA” IN CO-WORKING SPACE**

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## Abstract

The research paper provides a specific overview of an unique educational co-working space approach, combining “Your English School” (YES) educational center and “Barista” coffee shop. Our collaborative workspace solution includes the identification of the number and type of courses and the pricing policy that ensures the project's growth and sustainability.

Informed with SWOT, Marketing research, and Net Present Value (NPV) analysis, the strategy involves introducing preparation courses for enrollment to Nazarbayev Intellectual Schools (NIS), Republican Physics and Mathematics School (RPMS), and Bilim Innovation Lyceum (BIL) schools, responding to a notable demand from market dynamics and customer preferences. We're recommending a pricing approach, initially aiming for 100,000 KZT per month per course.

Justified by positive Net Present Value (NPV) over a five-year projection period, there's also a suggestion to lease a 500 sq.m. office space, requiring an initial investment of 50 million KZT. The breakeven calculation indicates that YES Educational Center needs to deliver 4,104 courses at an average price of 74,216 KZT per course to cover costs and reach the breakeven point.

Given the established business and operational processes of the "Barista" coffee shop, the proposal suggests that a Coworking educational center should offer a dedicated facility to the "Barista" coffee shop by providing a rented space specifically designed for catering purposes. Moreover, this will help avoid complexity between mixing the two business lines in terms of profits and losses tracking.

To further broaden the scope of the business, it is advised to explore the potential of renting out underutilized spaces and venturing into training courses for enrollment to domestic and international universities. The main objective is not just to maintain competitiveness but to build a strong base for continuous growth and success while maintaining financial feasibility.

The research paper introduces a balanced scorecard and strategy map, aligning objectives with specific measures and targets across financial, customer, internal process, and learning and growth perspectives. Moreover, the paper provides a comprehensive Implementation Plan for establishing an educational co-working space. The proposed actions are tailored to meet the evolving demands of the education market, positioning the project for long-term success and community impact.

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## Introduction

Our project, titled "Combining “YES” Educational Center and “Barista” Coffee Shop in a Co-working Space," embodies the synergy of two distinct yet complementary realms - education and hospitality. At the heart of this innovative concept lies the creation of a co-working space that encapsulates the best of both worlds, offering students a truly holistic and enriching environment.

This endeavor is born out of a deep understanding of the evolving needs and aspirations of today's learners. Traditional educational institutions often fall short of providing the engaging, dynamic atmosphere required for effective learning. Meanwhile, coffee shops, with their cozy ambiance and caffeine-fueled productivity, may lack the necessary educational resources and dedicated spaces for focused study. It is within this context that our project emerges as a beacon of change.

## Problem to be addressed

The mission is to establish a co-working space that seamlessly merges the academic prowess of an educational center with the comfort of a coffee shop. By doing so, we aim to provide students with a space that is not only comfortable and inspiring but also highly conducive to productive studying.

The data that was provided by the client who is the owner of YES from January to May 2023 shows valuable insights into the potential impact of our project. With 98 clients, an average education duration of three-six months, and a median course payment of 24,000 KZT per course, it's evident that YES serves a significant student community. By integrating the educational center into a co-working space, we aim to tap into this existing network and offer these students a more comprehensive and enriching learning experience.

Furthermore, the average age of YES clients being middle school students underscores the need for a space that not only facilitates learning but also encourages social interaction and personal development. Co-working space will not only meet these needs but also exceed expectations by providing quality coffee and snacks, further enhancing the overall experience.

In summary, this project is poised to redefine the way students engage with education, community, and convenience. By seamlessly blending the realms of learning and collaboration, we aim to address the pressing need for a multifunctional and student-centric environment, catering to the evolving demands of modern education.

## Methodology

In our pursuit to address the issue of combining Educational Center YES and Coffee Shop 'Barista' into a co-working space, we applied a systematic approach that harnessed the knowledge and tools we've acquired during our MBA studies. The following steps outline the methodology we implemented, specifying the types of concepts and frameworks we applied:

### Conceptual Framework Application:

1. We applied a range of business and strategic concepts, including
  - a. Porter's Five Forces: To analyze the competitive forces within the industry.
  - b. PESTEL Analysis: To understand the macro-environmental factors affecting business integration.
  - c. SWOT Analysis: To assess the strengths, weaknesses, opportunities, and threats of the co-working space concept.
2. Primary Data Collection:
  - a. Qualitative Research: We conducted in-depth interviews with representatives of typical customers, loyal customers, and loyal customers of competitors, applying techniques in qualitative research.
  - b. Quantitative Research: We designed and administered a structured survey/questionnaire, incorporating concepts from marketing and

statistics to measure factors like pricing, location, working hours, and package offerings.

- c. Conjoint Analysis: We utilized the concept of conjoint analysis, a quantitative marketing research method, to quantify the relative importance of the identified factors in customer decision-making.

### 3. Secondary Data Collection:

- a. Company Archival Material: We evaluated financial records, historical data, and previous business strategies using financial and strategic analysis concepts taught in our MBA coursework.
- b. Library and Academic Research: We reviewed academic journals and reports, drawing from concepts in entrepreneurship and marketing to understand industry trends and best practices.
- c. Websites and Public-Domain Information: We gathered publicly available data, employing market research and competitive analysis concepts to assess market dynamics and competitors.

4. Data Analysis: Statistical analysis, an essential concept in MBA coursework, was used to analyze both primary and secondary data, enabling us to identify patterns, correlations, and trends.

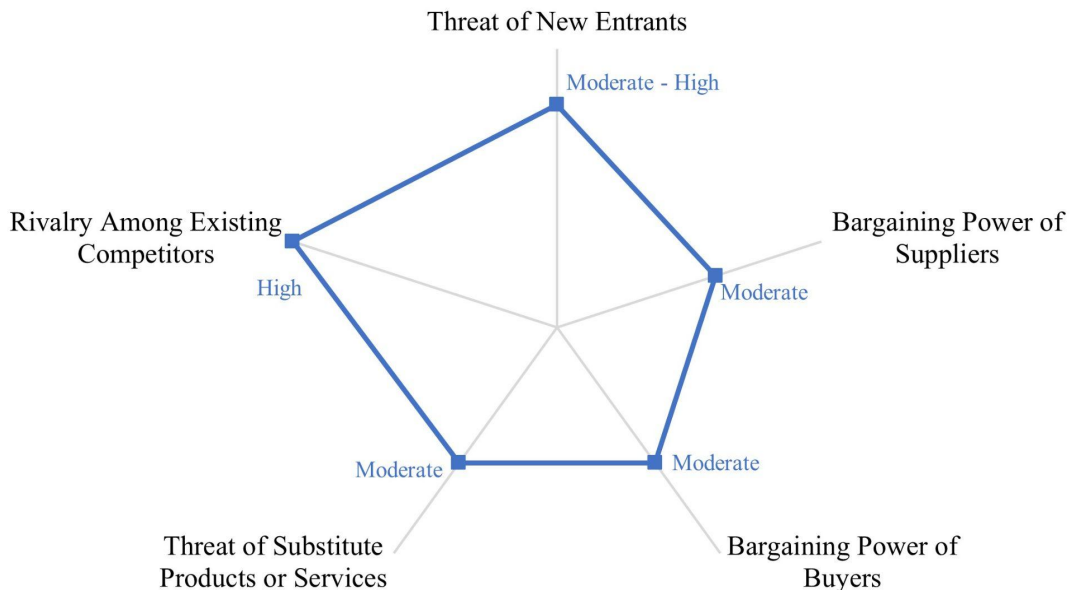
5. Synthesis: We synthesized insights from interviews, surveys, secondary data, and conjoint analysis, drawing upon our MBA education in entrepreneurship and strategic thinking to form a holistic view of the project.

## Situation Analysis

### 1.1. Porter's Five Forces (Appendix A)

The integration of an educational center (Your English School), a coffee shop (Barista), and a co-working space into a single offering tailored for preparing students to apply to top-ranked schools is a promising and innovative concept. To assess the industry's attractiveness and competitiveness, we've conducted a comprehensive Porter's Five Forces analysis (Figure 1).

**Figure 1. Porter's Five Forces Analysis.**



Threat of new entrants. The threat of new entrants is between Moderate and High. While low barriers to entry may attract new players, the complex integration of education, coffee, and co-working services in one place can be challenging for

new players, as they should have an experience in that business scope to manage diverse aspects, including sanitary requirements, staff, resource allocation, etc. Additionally, the increasing popularity of educational courses and the possibility of local entrepreneurs or educational courses entering the market create competitive pressures.

Bargaining power of suppliers. Even though supplier power varies across the business components it can be considered as Moderate. For teaching staff with a strong reputation and high success rate of their students, their bargaining power could be high. However, the current experience in serving snacks and beverages at Barista can be helpful in merging it with the educational center. Students will be hungry as they attend the extra courses right after their school or they will spend more than 3 hours in the center if they are attending the preparation courses for NIS, RPMS, and BIL. The independence in sourcing food and beverages may provide some flexibility. However, dependence on property owners for renting spaces may affect cost structures and pricing strategies.

Bargaining power of buyers. The bargaining power of buyers is Moderate. The increasing number of students each year offers a growing customer base. As per the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, the number of middle school students in Kazakhstan has increased every year within the last 5 years by 2.0%-6.6%

annually. Table 1 illustrates the annual number of graduates, who completed basic secondary school in Astana city and in Kazakhstan in general as well as the year-to-year percentage increase.

**Table 1. Number of graduates who completed basic secondary school (9th grade).**

Number of graduates who completed basic secondary school (9th grade)						
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
<b>Republic of Kazakhstan</b>	230,679	235,404	249,700	264,469	277,740	296,151
<b>% increase</b>		2.0%	6.1%	5.9%	5.0%	6.6%
<b>Astana city</b>	9,083	10,203	11,146	12,727	13,524	15,755
<b>% increase</b>		12.3%	9.2%	14.2%	6.3%	16.5%

In Astana city, the number of middle school students increased by 16.5% in the 2022-2023 academic year. However, low switching costs for students and parents empower them to choose between different educational centers. Generic courses like English courses can be price-sensitive due to high competition. However, providing combined courses for top-ranked school applications combined with the co-working space that creates a community of proactive and ambitious peers may allow for some price flexibility and keep the prices at an upper ceiling.

**Threat of Substitute Products or Services.** The threat of substitutes is Moderate. Customers can self-study or choose online courses as well as study in libraries. Furthermore, the rise of online collaboration tools may reduce the need

for physical presence. However offline in-class courses ensure better engagement for middle school students as they are more restless and need more control.

**Rivalry Among Existing Competitors.** Rivalry among existing competitors is High. The market for aspirational school preparation and co-working is competitive, and as the industry grows, more players may enter, intensifying competition. This could lead to aggressive pricing strategies, as companies seek to gain a competitive edge. The uniqueness of that Project's proposition may mitigate some competitive pressures, but the individual components of that business—education, coffee, and co-working—all have their own competitive landscapes.

The success of that venture depends on effective integration, strong differentiation, and the ability to adapt to the changing landscape of education, co-working, and consumer preferences. The coworking spaces business for school students presents a mixed bag of opportunities and challenges. On one hand, the low barriers to entry make it relatively easy for new players to set up an educational center, especially given the increasing popularity of such courses. This popularity, however, can also be a double-edged sword, attracting more competitors and customers to the market. Even though there is a high availability of alternatives and substitutes like online courses, libraries, home study, and school facilities, the necessity of offline in-class courses with more control is also

high. Existing competitors in the market might engage in intense rivalry, potentially resulting in intense price competition or the implementation of aggressive promotional offers. However, the idea of integrating an educational center (Your English School), a coffee shop (Barista), and a co-working space that creates a community of proactive and ambitious peers might be a niche to exploit.

## 1.2. PESTEL (Appendix B)

From a **political** standpoint, 2022 witnessed the establishment of three branches of foreign universities in Kazakhstan, with an expectation of introducing six more in the near future (Zhanabergen, 2023). This strategic initiative, driven by the Ministry of Education under the direction of the President, reflects a clear political commitment to enhancing the nation's higher education system and overall competitiveness. The emphasis on integrating into the global education landscape aligns with Kazakhstan's specific economic needs, particularly the demand for highly skilled professionals in technical fields. This political agenda aims to nurture a highly skilled workforce and bring the nation in line with international educational standards. Consequently, it has the potential to shape the future of Kazakhstan's education and workforce development, impacting economic growth and global competitiveness. These developments have implications for the learning center business, especially those following a coworking model with courses for school students.

Within the educational landscape, policies and requirements established by the country's top universities and programs, such as the Bolashak Scholarship Program, play a crucial role. Bolashak International Scholarship, established by the President of the Republic of Kazakhstan, N. Nazarbayev on November 5, 1993, is one of the most important strategic projects, initiated at the dawn of the independence of Kazakhstan, when leaders of a new format were needed, who would build up high-quality relations and communications with the international community (Electronic government of the Republic of Kazakhstan, no date). These institutions have implemented stringent language and academic proficiency criteria for admission. Prospective students are typically required to demonstrate a certain level of English language proficiency, often assessed through standardized tests like IELTS or TOEFL. Additionally, depending on their chosen major, candidates may need to pass the SAT or other mathematical assessments. These policies reflect a commitment to maintaining high academic standards and ensuring that students are well-prepared for the rigorous demands of higher education, both in Kazakhstan and abroad.

The need for preparation in subjects like English and mathematics, as exemplified by the IELTS and SAT requirements, creates opportunities for learning centers to offer specialized courses and tutoring in these areas. As students strive to meet the academic criteria set by universities, the demand for supplementary

educational services grows. This presents a favorable environment for learning centers to expand their offerings and cater to the needs of aspiring university students, potentially leading to a thriving market within the education sector. Essentially, the policies set by universities and programs have the potential to shape the curriculum and services offered by learning centers, enhancing their relevance and fostering growth in this sector.

In terms of the **economic landscape**, as of 2023, Kazakhstan has encountered fluctuations in its economic indicators, with the inflation rate notably reaching around 15% (BNS, 2023). This high inflation rate has a direct impact on the purchasing power of the Kazakhstani tenge, potentially leading consumers to exercise greater caution regarding discretionary spending. For coworking spaces targeting school students, these economic indicators signal the need for a prudent approach. The elevated inflation rate implies that families may become more price-sensitive, actively seeking value for every tenge they spend.

Furthermore, there is a growing influx of foreign companies establishing operations in Kazakhstan's expanding markets, presenting opportunities for students to secure employment both within the country and abroad upon graduation (LS, 2023). This international economic engagement has the additional effect of heightening the value placed on educational credentials. Students and job seekers are increasingly seeking degrees from reputable universities, often with a strong

emphasis on maintaining high GPAs. These credentials serve as a valuable competitive advantage in both the local job market and for individuals aspiring to work internationally.

The government's active investment in infrastructure development, including transportation, presents opportunities for Educational Centers that provide offline courses. Improved transportation networks and increased accessibility can positively impact enrollment rates and the overall effectiveness of learning centers. This enhanced accessibility aligns with the goal of providing equitable educational opportunities and reducing transportation barriers for students, allowing more access to quality educational services.

Traditionally, in Kazakhstan, a strong **socio-cultural** emphasis has been placed on academic achievement within families. Education is viewed as a vital pathway to success and upward mobility, a value deeply rooted in the country's history, particularly during the Soviet era. This cultural emphasis on education has led to significant competition among students for a limited pool of grants and scholarships offered by aspirational domestic and foreign universities. This competition underscores the immense importance placed on securing quality education, with the pursuit of scholarships becoming a central part of the educational landscape in Kazakhstan.

For coworking spaces targeting school students, this cultural emphasis on education represents a significant opportunity. These spaces can go beyond providing study environments and offer opportunities for collaborative projects, exposure to international curricula, or language practice. Such offerings may hold particular appeal for Kazakh parents who share the cultural value of academic achievement.

In the realm of indoor environmental quality and physical well-being, there is a growing awareness of health and the benefits of physical activity. The focus now extends to creating indoor spaces that not only support work and study but also promote physical health. Ensuring a healthy indoor environment is crucial for coworking spaces catering to school students in Kazakhstan. Additionally, integrating spaces for physical activities, such as yoga rooms or facilities for table tennis, can be a significant draw. These amenities not only contribute to physical health but also provide students with a much-needed break, enhancing their overall productivity and well-being. Offering these features can set a coworking space apart, making it more appealing to both students and parents keen on holistic development.

In interviews and surveys, it has become evident that parents in Kazakhstan hold a strong desire to engage their children in productive activities during their free time. This stems from a commitment to ensuring their children are not idly

spending time without purpose or associating with random individuals. Instead, parents are increasingly inclined to have their children interact with peers who share similar ambitions and goals in a secure and controlled environment. This desire aligns with the demand for educational services that cater to these preferences, emphasizing the importance of learning centers and educational institutions that provide a safe and nurturing environment for ambitious young learners.

Considering the successful experience of coworking spaces in fostering creativity and innovation among entrepreneurs, there is potential to apply this model to coworking spaces tailored for school students in Kazakhstan. Urbanization trends, especially in cities like Almaty and Astana, have led to significant lifestyle changes. In urban settings with potentially smaller apartments and a need for collaborative environments, coworking spaces can cater to students seeking a space for studying and networking. Adapting to these changing dynamics and designing spaces that cater to individual study needs while promoting collaborative endeavors can make these spaces more appealing to Kazakh students and their parents.

The **technological landscape** in Kazakhstan is evolving, with significant progress in enhancing digital infrastructure, particularly in urban areas. The government's active engagement in expanding broadband connectivity and

increasing internet penetration rates reflects a commitment to digitalization. However, it's essential to acknowledge that the effectiveness and preferences for online learning among school students may vary. Balancing digital infrastructure with the option for offline educational activities is crucial for coworking spaces targeting school students. This approach acknowledges the unique challenges of online education for children and aligns with the sentiment among parents, emphasizing the importance of flexibility in educational delivery methods.

As a response to the global trend towards online education, schools and educational institutions in Kazakhstan have been integrating technology into their curricula. This shift has led students to become more accustomed to using online platforms for learning, further accelerated by the COVID-19 pandemic. For coworking spaces in Kazakhstan, it's essential to recognize and adapt to this technological shift in education. Equipping spaces with facilities that support online learning, such as video conferencing tools and access to EdTech platforms, can enhance the appeal of these spaces to students, making them more conducive to modern learning needs.

In the **environmental aspect**, urban areas in Kazakhstan, like many other cities worldwide, face challenges related to waste disposal. There is a growing emphasis on reducing single-use items and promoting recycling. Coworking spaces can contribute to sustainability efforts by implementing waste reduction and

recycling initiatives. This can include facilities for separating and recycling waste, reducing single-use plastics in cafeterias or snack areas, and promoting a culture of sustainability among users. Such initiatives not only support environmental preservation but also position coworking spaces as responsible and forward-thinking establishments.

From a **legal perspective**, coworking spaces catering to school students benefit from a less stringent regulatory environment compared to traditional educational facilities (CDB, 2022). The reduced regulatory burden translates to lower initial setup costs and operational expenses, potentially providing a competitive advantage in terms of cost efficiency and flexibility. This regulatory context allows coworking learning spaces to adapt to the market.

The Pestel analysis reveals a multifaceted landscape for starting a coworking space with a learning center tailored for school students in Kazakhstan. The political commitment to enhancing the nation's education system and aligning with international standards presents an opportunity for growth, as does the strong cultural emphasis on academic achievement. On the economic front, however, fluctuations and a high inflation rate signal the need for a cautious approach, with price sensitivity likely to play a significant role. The presence of foreign companies and the increased value placed on educational credentials create a demand for diverse skill sets and academic excellence, which learning centers can leverage.

From a technological perspective, the push for digitalization underscores the importance of flexibility in educational delivery methods. Meanwhile, developments in transportation infrastructure enhance accessibility to learning centers. Additionally, environmental consciousness offers an opportunity to promote sustainability. Understanding and navigating this complex landscape, while remaining adaptable to changing dynamics, will be key to the success of coworking spaces with learning centers in Kazakhstan, providing valuable education services to ambitious young learners in a rapidly evolving environment.

### 1.3. SWOT

The unique proposition of the coworking-learning center, coupled with a pre-established customer base and alignment with urban students' needs, positions it well in a competitive market. However, economic fluctuations and high market competition present notable challenges. The center's success will hinge on leveraging its unique offerings to mitigate competition pressures, and on adopting strategies to navigate economic uncertainties.

**Table 2. SWOT analysis.**

<b>S</b>	<b>W</b>	<b>O</b>	<b>T</b>
<ul style="list-style-type: none"> <li>● New format with limited direct competition; provides a unique market advantage and growth potential.</li> <li>● Established customer base provides a competitive edge; existing presence enhances market strength and stability.</li> </ul>	<ul style="list-style-type: none"> <li>● Significant initial investment, as indicated by the NPV analysis, may pose a challenge.</li> <li>● Combining an educational center, co-working space, and a coffee shop within the same premises can introduce operational complexities.</li> </ul>	<ul style="list-style-type: none"> <li>● Government plans for new foreign universities</li> <li>● Strict admissions criteria for top universities</li> <li>● Growing foreign firms seek a diverse skilled workforce.</li> <li>● High competition for limited grants</li> <li>● Indoor spaces prioritize well-being and fitness, fostering physical health awareness</li> <li>● Parents aim to engage children in purposeful activities, fostering ambition and security through peer interaction</li> <li>● Coworking model suits urban student needs</li> <li>● Offline learning more effective for school students</li> <li>● Infrastructure improvements, transportation and accessibility</li> <li>● Focus on reducing single-use items and promoting recycling</li> <li>● Less regulations than traditional schools</li> <li>● Growing student population in the city</li> </ul>	<ul style="list-style-type: none"> <li>● Economic fluctuations, inflation impacting consumer spending</li> <li>● Global technological trend; schools integrate technology, accelerated by COVID-19</li> <li>● Low entry barriers attract new players, but integrating education, coffee, and co-working is complex, with rising course popularity and local competition adding pressure.</li> <li>● Moderate supplier power; influenced by teaching staff and property dependence.</li> <li>● Buyer power is moderate with a growing customer base, low switching costs, and price sensitivity.</li> <li>● Moderate substitute threat: self-study, online courses, libraries, but in-class engagement benefits restless middle school students.</li> <li>● High competition in a growing market may trigger aggressive pricing strategies; unique proposition may mitigate some pressures</li> </ul>
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>

Considering the SWOT analysis, opening the coworking-learning center is a viable venture, provided that strategic planning is employed to address the identified threats and harness the opportunities.

#### 1.4. Competitors analysis

Your English School (YES) is set to compete in two distinct markets. The first market consists of educational centers that specialize in middle school student education and offer a variety of courses, which include preparation for Nazarbayev Intellectual Schools (NIS), Republican Physics and Mathematics School (RPMS), and Bilim Innovation Lyceum (BIL). In the second market, YES will contend with educational centers that cater to high school students seeking English language proficiency exams (IELTS and TOEFL) and preparation for international universities. This intriguing dual-market strategy introduces opportunities that, if harnessed effectively, can significantly increase Customer lifespan.

The first market encompasses nine educational centers, each focusing on the needs of middle school students in their quest for academic excellence. These educational centers offer various courses such as preparation for NIS, RPMS, and BIL schools, preparation for UNT, and English courses. However, not all of them offer IELTS and TOEFL courses. According to Table 3, we can notice that they don't focus on high-school students, who plan to apply to international universities and seek GMAT, SAT, and GRE courses.

**Table 3. Market 1: Middle School Student Preparation for Top-ranked Schools.**

	Preparaton courses for NIS, RPMS, BIL, UNT	English/ IELTS/ TOEFL	SAT	International universitites	Snack bar	Co-working space	Online & Offline	Location
Aiplus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Only in Almaty	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Almaty, Astana, Shymkent
Today	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Offline only	Astana
Intellect	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	for Russian Universities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Astana
Tesla-edu	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Almaty, Astana
Sana	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Astana
Baiterek	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Offline only	Almaty
Оқоо	only for NIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Online only	Kokshetau
ЭРУДИТ	<input checked="" type="checkbox"/>	English only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Almaty
Zhuldyz melden	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Offline only	Almaty

Some educational courses have snack bars inside as students may have 3 hour long lessons. And from 9 competitors only 1 of them has a coworking zone for students where they can work and communicate with each other in a calm and cozy atmosphere. Even though most of these competitors maintain a presence both online and offline, some educational centers are still focused on offline education only.

In the second market, YES will encounter five educational centers targeting high school students seeking proficiency in English language exams (IELTS and TOEFL) and preparation for international universities. *Table 4* demonstrates that all those educational centers offer English courses, and preparation for IELTS, TOEFL, and SAT.

**Table 4. Market 2: High School Student Preparation for International Universities.**

	English/ IELTS/ TOEFL	SAT	International universities	Online	Offline	Location
Crimson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Almaty
Ivy-league	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Almaty
Oxford-team	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ust-Kamenogorsk
99-percentile	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Astana
Квадрат	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Almaty, Astana, Shymkent

Some of them provide consultancy services for applying to international universities, including essay writing, portfolio assembling, and university choosing. These educational centers rely on international experts for various aspects of preparation, including essay writing and portfolio preparation. They are primarily located in Almaty and Astana.

The remarkable dual-market strategy opens doors to significant customer lifespan growth. The customer's lifespan is the amount of time between their first purchase and their last before they no longer patronize your business (Izquierdo, 2022). YES's ability to retain and nurture students' academic journeys from middle school to high school and beyond represents a substantial opportunity. If the current average customer lifetime is approximately 3-6 months, the introduction of preparation courses for aspirational schools has the potential to extend customer

lifetimes by an additional 1-2 years. Furthermore, offering opportunities for certain students to prepare for international university applications can further enhance the average customer lifespan to a range of 2-4 years.

### 1.5. Value proposition

“For determined school students and their parents, who aspire to gain admission to top-ranked schools, YES educational center offers academic instruction, collaborative co-working, and a cozy coffee shop atmosphere in one place. Unlike traditional tutoring centers, YES educational center cultivates a vibrant community where like-minded peers share their experience and achieve their goals together.”

## Key Findings

### 2.1. Literature Review

1) According to the research conducted by Travis Howell, University of California, Irvine, in the year 2022 (Howell, 2022), the study focuses on the phenomenon of coworking spaces within the context of entrepreneurship. The research underscores the significance of shifting the focus of entrepreneurship research from high-profile startups to the more commonplace and diverse types of business ventures. The research emphasizes the central role of community within coworking spaces, demonstrating that entrepreneurs are primarily drawn to these spaces for the social connections, solutions, motivation, and support they provide. Additionally, the study identifies intriguing patterns and correlations, revealing that coworking spaces tend to offer more substantial benefits to certain demographics and types of entrepreneurs.

2) The study conducted by Safaa Maher, Passent Tantawi, and Mohamed A. Ragheb on coworking spaces in Egypt (Safaa, Passent, and Mohamed, 2020) explored coworking spaces' growth and dynamics through interviews with space managers and founders in Cairo and Alexandria. The research revealed the ability to adapt their business models to meet evolving market demands. These spaces offer a diverse range of services beyond conventional office rentals, such as consultancy, training programs, and grant-based funding models. The findings

underscore the crucial role played by community managers in fostering interaction and networking among members through various events and activities. However, it also highlights significant challenges faced by coworking spaces, including low financial returns and high employee turnover.

3) The research conducted by Eva Šviráková, Radomila Soukalová, Pavel Bednář, and Lukáš Danko focuses on the Coworking Design Centre and its system dynamics model. The results shedding light on the sustainability and success factors of coworking centers reveal critical insights into the sustainability and success factors of coworking centers (Šviráková et al., 2015). The simulation results emphasize that coworking centers need to offer a diverse range of services beyond mere space rental to remain profitable and maintain market interest. Coworking centers focusing solely on rental income are likely to experience declining customer engagement and eventual business decline. In contrast, a comprehensive approach, as demonstrated by the Coworking Design Centre, incorporating activities such as Coworking Club, Coworking Exhibition, Coworking Shop, Coworking Academy, and Coworking Space, can mitigate the negative effects of market saturation and ensure long-term viability.

4) The literature review conducted by Branch Associates (Branch Associates, 2008) analyzed the impact of out-of-school-time programs, including after-school programs, on low-achieving students. They found positive impacts on

academic achievement, with reading achievement improving for younger students and math achievement for older students (grades 9-12). The study also highlighted the importance of program duration, intensity, and certain features like attendance and staff quality. These findings suggest that the duration, intensity, and quality of after-school programs, along with targeted academic support like tutoring, play crucial roles in achieving positive outcomes for students, which has implications for the design and implementation of programs like Boys and Girls Clubs of America's (BGCA's) "Power Hour".

5) The article "Анализ текущего состояния дополнительного образования в Казахстане и международный опыт" (Шер, 2023) provides insights into the state of supplementary education for children in Kazakhstan. The study reveals that over the past three years, the number of children engaged in school clubs has increased significantly, with the regions of West Kazakhstan, Pavlodar, and North Kazakhstan showing higher-than-average participation rates. The study underscores the importance of updating the content of supplementary education, expanding access to extracurricular activities, and modernizing educational infrastructure to promote the intellectual, creative, and cultural development of children and youth in Kazakhstan.

## 2.2. Interviews

During the visit to the YES educational center the qualitative research was conducted and four individuals were interviewed. Respondents highlighted the demand for offline education, the preferences of different age groups, and the role of co-working spaces in supporting education:

- Dana, 41 years old. A working parent with two sons, one is a student at Nazarbayev University and one is in a private school and planning to attend a RPMS. She values the convenience of having all her children's extracurricular activities in one place. As the middle school students are more restless, offline education is more effective for them rather than online. She spends around 120,000 KZT per course on each child's additional education.
- Asel, 38 years old. A mother of four, who works online in the expert production field. The eldest daughter has studied at Haileybury since she was 2 and there is no need for additional courses. Her middle son studies in an International School, but his English is not as good. And per the request of the private school, they started to take extra English classes to improve his English. Convenience and location are essential factors for her.
- Meruert, 49 years old. Her child attends a private school that prepares children for applying for NIS and RPMS. They are focused now on English

and Mathematics. Previously they took extra math and logic courses preferably on weekends. Her focus is on academics, and her child's free time is spent on educational apps.

- Asel, 35 years old. She has three children with various extracurricular activities. Children study in public schools. The second son previously had extra English classes, but now he studies at the other school with good English teachers and there is no need for extra English courses. For her, location and qualified instructors are essential. She is willing to invest significantly in her children's education.

The findings from the interviews suggest that offline education is in demand, especially for middle school students who require more structure and supervision. Structured schedules and in-person learning are viewed as more effective for this age group. Comprehensive courses are attractive to parents, and those with children in private schools may be less interested in additional classes. Some parents are also interested in attending courses on weekends. Parents emphasize the importance of convenience when choosing courses for their children. Proximity to home and work is one of the key considerations in their decision-making process. On average, parents spend about 100,000 tenge (200-300 dollars) per course on each child's additional education. In addition, parents also highlight the importance of having a lunch or snack during the learning experience. According

to the Centers for Disease Control and Prevention, schools play an important role in shaping lifelong healthy eating habits by offering nutritious meals through federal child nutrition programs. School meals include milk, fruit, vegetables, and whole grains, and they provide key nutrients like calcium and fiber (cdc, 2022).

Furthermore, adding a Barista can improve the learning experience for middle school students in several ways. Baristas can provide a collaborative environment that fosters creativity and innovation. They can also offer a place for students to relax and recharge during breaks, which can help improve their focus and productivity. Throughout the interviews, a series of insights were explored and subsequently verified through surveys.

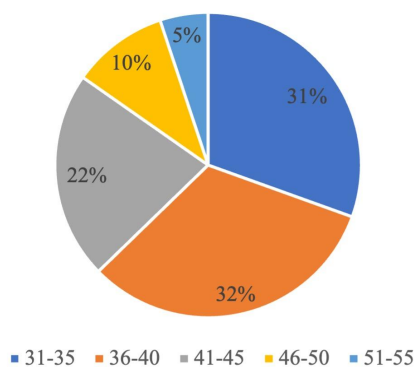
During the interviews several respondents noticed courses preparing to apply for NIS, RPMS and BIL. Those three schools are one of the best schools in Kazakhstan focused on Physics, Mathematics and Chemistry. The strongest teachers provide intensive education. Some classes are taught in English. Their students win prizes in republic and international Olympiads. Advance Placement (AP) classes are available for last year students, that gives advantage for further applying to American colleges or Universities. NIS, RPMS and BIL graduates enroll in the best local and international universities. As there is a high competition during application only talented applicants are able to join those schools. That is why parents start to prepare their children for those schools two or three years prior

to the admission test. Parents spend a lot of time and money to increase their chances to get acceptance and get a scholarship. Such courses usually consist of several subjects including Mathematics, Logic, Natural Sciences, Kazakh Language, and English Language. Usually courses are held 3 times a week, and the lesson duration is 3 hours. Each lesson consists usually of 90 minutes of Mathematics, 45 minutes of Kazakh language, and 45 minutes of English language. Number of students usually doesn't exceed 10 students per group.

### 2.3. Survey

In our pursuit to gain a comprehensive understanding of our target audience's preferences and needs, a survey was conducted, drawing responses from a diverse pool of 74 participants, where not all respondents answered all the questions in the survey. This survey encompassed various demographic aspects, including age distribution, gender representation, and location, ensuring a

**Figure 2. Age distribution.**



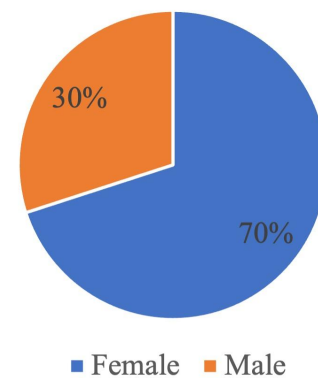
well-rounded representation of our prospective customer base. The age distribution of survey respondents showcases a diverse range of perspectives and experiences. Figure 2 demonstrated that approximately 31% of the respondents fell within the 31-35 years old age

group, representing a substantial portion of the survey participants. The 36-40 age

bracket accounted for around 32% of the total respondents, making it another significant segment. Respondents aged 41-45 constituted 22% of the survey sample, contributing valuable insights. This age group, comprising individuals aged 46-50, accounted for approximately 10% of the total participants. Respondents aged 51 and older represented 5.08% of the survey sample, bringing a seasoned perspective to the data.

A substantial majority of 70% of the survey participants were female, reflecting a strong female presence in our survey sample. Male respondents made up 30% of the total participants, providing a diverse gender perspective. The majority of our survey participants, a significant 47 individuals, were located in Astana.

Figure 3. Gender distribution.



This diverse demographic composition of our survey sample ensures that the insights and conclusions drawn from the survey data are well-representative of our potential customer base. It allows us to create a more tailored and nuanced approach to our offerings and strategies, taking into account the varied perspectives and requirements of our target audience.

One striking aspect of the survey results is the nearly equal distribution between private and public schools, with a close 50-50 split. However, when it

comes to a willingness to attend additional classes and invest in their child's education, parents of children in private schools appear to be more enthusiastic. This discrepancy indicates that parents who choose private education for their children often prioritize supplementary learning opportunities and are more inclined to explore various educational avenues.

**Table 5. Expenses for additional academic education per course per child.**

Expenses	Private	Public	Both	Total	%
10,000-50,000 KZT	13	14		27	48.2%
50,001-100,000 KZT	10	9	4	23	41.1%
100,001-150,000 KZT	3			3	5.4%
150,001-200,000 KZT	1			1	1.8%
200,000 & more		2		2	3.6%
<b>Total</b>	<b>27</b>	<b>25</b>	<b>4</b>	<b>56*</b>	
*56 out of 74 respondents answered this question					

They are also more willing to allocate a substantial budget, ranging from 10,000 to 50,000 (48,2%) and from 50,001 to 100,000 (41,1%) per course per child, to facilitate their child's academic growth, as illustrated in Table 5. Which is highly correlated with the study of the Association of Private Education Institutions.

In a recent survey conducted among students' parents, it was discovered that a significant proportion of these children are actively participating in additional English language classes. This observation highlights a growing trend in the

educational landscape, with language acquisition taking a prominent role in the development of young minds.

The multiple choice question in Table 6 reveals that a significant number of responses (44 out of 93) were English courses and international standardized English language tests such as IELTS and TOEFL. Among them, 31 parents were interested in English courses, while 13 parents were interested in international standardized English language tests.

**Table 6. Course preferences.**

<b>Course Name</b>	<b>Already &amp; Planning</b>	<b>Not interested</b>	<b>Total</b>
English	28	3	<b>31</b>
IELTS/TOEFL	10	3	<b>13</b>
Preparatory for NIS, RPMS, BIL	15	4	<b>19</b>
Preparation for International Universities	12	4	<b>16</b>
SAT/GRE/GMAT	8	2	<b>10</b>
others	2	2	<b>4</b>
<b>Total</b>	<b>75</b>	<b>18</b>	<b>93*</b>
* multiple choice question returned 93 answers from 74 respondents			

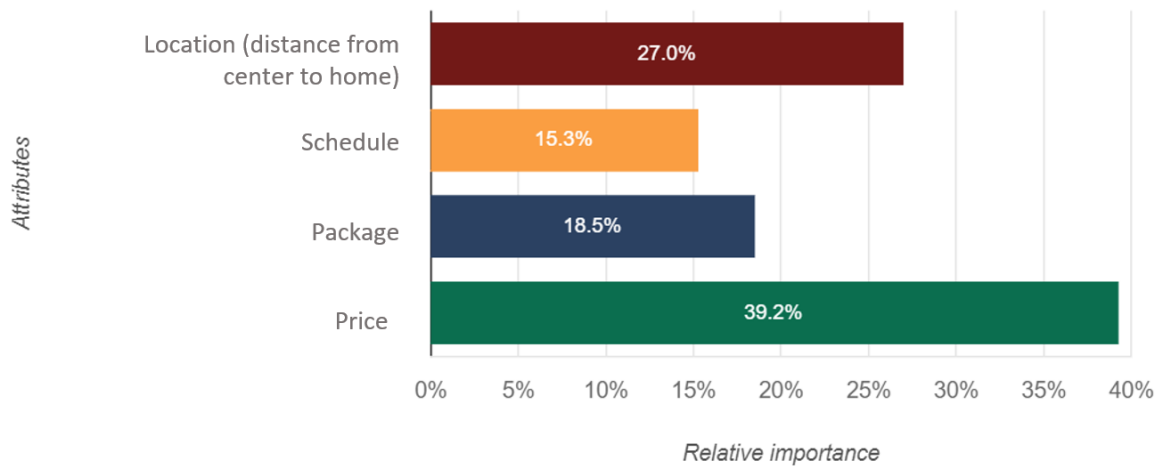
This choice reflects a broader ambition to prepare their children for admission to top-ranked universities, both nationally and internationally. The results underline the importance of English proficiency as a valuable asset for future academic and career success.

Interestingly, 87% surveyed expressed a lack of trust in online courses and preferred traditional offline formats. This preference may stem from concerns related to internet connectivity and the potential for distractions when learning in an online environment. The digital divide, a persistent issue in many regions, may hinder access to quality online education, leading parents to opt for in-person classes where learning can take place with greater consistency and focus.

Furthermore, the survey shows parents managing their children's daily nutrition habits. 48% of respondents reported that their children receive meals at school, and 32% give money to children to let them decide on their lunch by themselves. Only 15% of parents pay keen attention to dietary habits and prepare lunch boxes for their children, as they want their child to eat well-balanced homemade food.

#### 2.4. Conjoint analysis

The conjoint analysis conducted for our project has provided valuable insights into the preferences and priorities of the target audience, helping to refine the pricing strategy and overall approach. Through the analysis, the importance of several attributes was evaluated, including Price, Location, Package, and Schedule or working hours.

**Figure 4. Relative importance of attributes.**

$$\text{Utility function} = 39.2 * (\text{Price}) + 18.5 * (\text{Package}) + 15.3 * (\text{Schedule}) + 27.0 * (\text{Location})$$

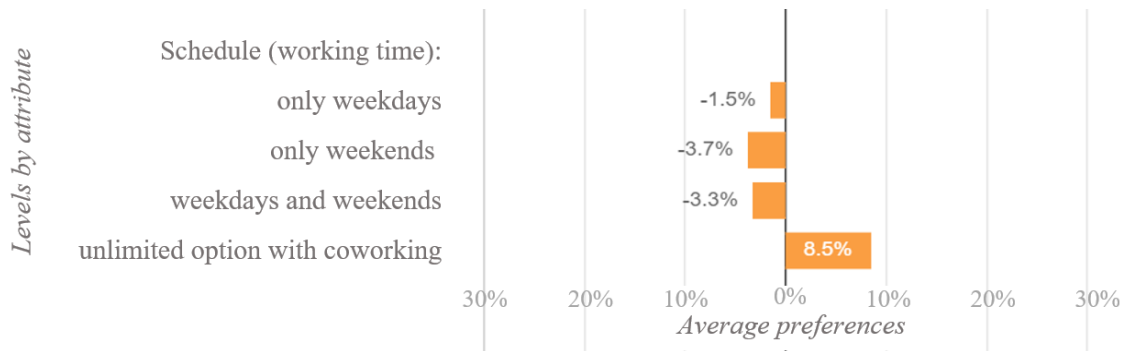
#### Summary of Conjoint Analysis Insights:

##### 1) Relative Importance of Attributes:

Price emerges as the most critical factor with a relative importance of 39.2%, followed by location (27.0%), package (18.5%), and schedule (15.3%). This highlights the significance of pricing strategy in influencing consumer preferences.

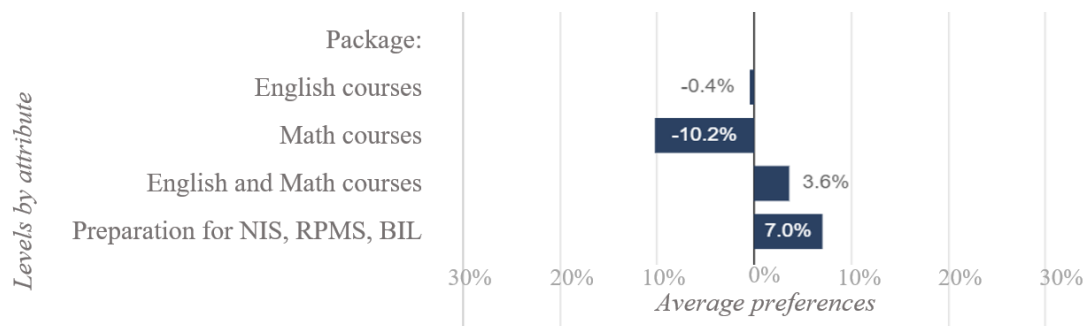
##### 2) Schedule Preferences:

There is a strong preference for an unlimited schedule option. However, it is intriguing that the most negative preference is associated with weekend-only schedules. Despite initial interest expressed in interviews, this negative sentiment suggests a reconsideration of weekend-only options.

**Figure 5. Average preferences for Schedule.**

### 3) Package Attribute Insights:

The analysis reveals a negative preference for separate Math courses (-10.2%) within the package attribute. This prompts consideration for not segregating Math courses from general preparation courses (e.g., NIS, BIL). Combining these courses may enhance overall package desirability.

**Figure 6. Average preferences for Package.**

### 4) Price Sensitivity:

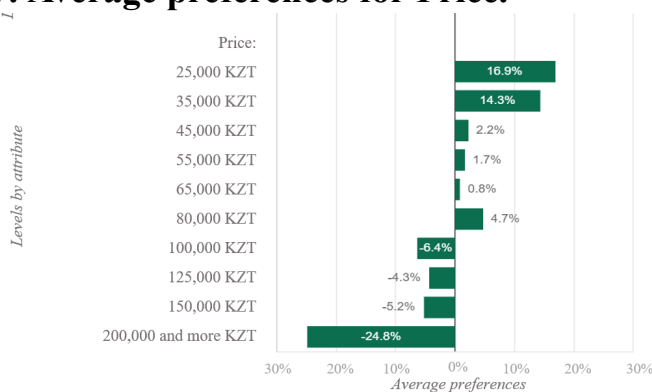
The average preferences for different price levels indicate that the market is most responsive to a price point of 25,000 KZT, with a positive preference of 16.9%. It's important to note that, in this analysis, we focused solely on English courses, excluding bundled courses priced below 80,000 KZT. The experiment did

not allow respondents to choose preparation courses at the 25,000 - 60,000 KZT price point, for instance. This targeted approach to English courses reveals a heightened price sensitivity, indicating a positive inclination towards lower price points.

Beyond the straightforward preference for lower prices, the analysis also reveals nuances in consumer behavior. Consumer preferences exhibit a notable shift at specific price points. The analysis suggests that setting the initial price at 80,000 KZT could help establish a loyal client base (4.7%), and a slight increase to 100,000 KZT maintains a relatively negative preference (-6.4%). This implies a strategic approach to pricing, with the potential for gradual adjustments over time.

The exclusion of bundled courses below 80,000 KZT highlights the importance of considering the specific product offerings when interpreting price sensitivity. While the findings focus on English courses, future analyses could explore the dynamics of bundled courses and their impact on overall price sensitivity.

**Figure 7. Average preferences for Price.**



These insights collectively guide recommendations for pricing strategies, schedule offerings, and package configurations. The findings emphasize the need for a nuanced approach to meet consumer preferences and maximize overall satisfaction. Additionally, aligning the course structure with consumer preferences, especially regarding Math courses, may enhance the attractiveness of the educational offerings.

### Alternatives (Net present value)

Our team has calculated the Net present value (NPV) for three scenarios. The main scenario involves renting 500 square meters of space. In the analysis, we considered two revenue streams: three types of courses (as shown in Table 8) and Barista rental, as we decided that Barista will rent a space and pay a monthly fixed rate. For the first year, we used data from clients, and the pricing was based on market analysis. For the following years, we assumed a 10% increase in the number of students annually and a 15% increase in prices. The maximum number of courses sold in the fifth year reaches 1,845 per year. During the calculating NPV, we also decided to not include the iteration rate, because the number of courses sold will not change as we will have reserve students. When assessing the possibility of accommodating this number of students in 500 square meters, we used a calculation: of 100 square meters for the barista, corridors, non-living spaces, etc. One classroom comprises 20 square meters and can accommodate a group of 5-8 people for classes lasting 1-3 hours. Consequently, we have 16 classrooms and can accommodate about 320 people per day, confirming the possibility of selling more than 1,845 courses per year.

**Table 8. Revenue streams forecast for 500 sq.m.**

Income	Qty* Quantity of courses sold			Qty Price			g-10%			g-15%					
	Year 1			Year 2			Year 3			Year 4			Year 5		
	Qty*	Price	Total	Qty*	Price	Total	Qty*	Price	Total	Qty*	Price	Total	Qty*	Price	Total
<b>Study courses</b>															
IELTS/TOEFL	180	60 000	10 800 000	198	69 000	13 662 000	218	79 350	17 282 430	240	91 253	21 862 274	264	104 940	27 655 777
English	720	25 000	18 000 000	792	28 750	22 770 000	871	33 063	28 804 050	958	38 022	36 437 123	1 054	43 725	46 092 961
BIL/NIS	360	100 000	36 000 000	396	125 000	49 500 000	436	143 750	62 617 500	479	165 313	79 211 138	527	190 109	100 202 089
<b>Total</b>	<b>1 260</b>	<b>185 000</b>	<b>64 800 000</b>	<b>1 386</b>	<b>222 750</b>	<b>85 932 000</b>	<b>1 525</b>	<b>256 163</b>	<b>108 703 980</b>	<b>1 677</b>	<b>294 587</b>	<b>137 510 535</b>	<b>1 845</b>	<b>338 775</b>	<b>173 950 826</b>
<b>Rent for Barista</b>															
Rent			6 000 000			6 900 000			7 935 000			9 125 250			10 494 038
<b>Total</b>	<b>1 260</b>	<b>185 000</b>	<b>70 800 000</b>	<b>1 386</b>	<b>222 750</b>	<b>92 832 000</b>	<b>1 525</b>	<b>256 163</b>	<b>116 638 980</b>	<b>1 677</b>	<b>294 587</b>	<b>146 635 785</b>	<b>1 845</b>	<b>338 775</b>	<b>184 444 864</b>

For the analysis of the cost side, we decided to account for teacher salaries, other employee salaries, and miscellaneous expenses (see the picture below). The analysis included an annual increase of 10% in salaries and an 8% increase in other expenses. Initial investments of 50 million tenge were also factored in, which were used for repairs and purchasing essential assets. The depreciation of assets and investments amounts to 10% (this percentage will be specified in the company's corporate documents in the future). The terminal value (TV) includes the value of initial investments minus depreciation over 5 years plus future cash flows till perpetuity. We assume that we will generate revenue equal to the revenue in the 5th year throughout the project's lifetime. To calculate this amount, we used the Cash flow divided by interest rate (CF/I) formula, and as a result, the sum of all future cash flows (FCF) after the 5th year amounts to 264.7 million tenge (Table 9).

**Table 9. Expenses forecast for renting 500 sq.m.**

Salary growth 10% per year					
Expense	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Salary</b>					
<b>English</b>					
Teacher 1	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
Teacher 2	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
Teacher 3	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
Teacher 4	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
<b>Math</b>					
Teacher 1	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
Teacher 2	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
Teacher 3	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
<b>Language</b>					
Teacher 1 (Rus)	2 400 000	2 640 000	2 904 000	3 194 400	3 513 840
Teacher 2 (Kaz)	2 400 000	2 640 000	2 904 000	3 194 400	3 513 840
<b>Other</b>					
Teacher 1	4 800 000	5 280 000	5 808 000	6 388 800	7 027 680
<b>Administration</b>					
Reception	3 000 000	3 300 000	3 630 000	3 993 000	4 392 300
Reception	3 000 000	3 300 000	3 630 000	3 993 000	4 392 300
<b>Outsource</b>					
IT	3 000 000	3 300 000	3 630 000	3 993 000	4 392 300
Accounting	3 000 000	3 300 000	3 630 000	3 993 000	4 392 300
Marketing	3 000 000	3 300 000	3 630 000	3 993 000	4 392 300
Cleaning	1 800 000	1 980 000	2 178 000	2 395 800	2 635 380
Cleaning	1 800 000	1 980 000	2 178 000	2 395 800	2 635 380
<b>Total salary</b>	<b>61 800 000</b>	<b>67 980 000</b>	<b>74 778 000</b>	<b>82 255 800</b>	<b>90 481 380</b>
Rent	24 000 000	25 920 000	27 993 600	30 233 088	32 651 735
Internet	120 000	129 600	139 968	151 165	163 259
Banks fee	120 000	129 600	139 968	151 165	163 259
Advertisement	8 400 000	9 072 000	9 797 760	10 581 581	11 428 107
Initial investment	50 000 000				
Terminal Value (TV)					(293 712 621)
Amortization	(5 000 000)	(4 500 000)	(4 050 000)	(3 645 000)	(3 280 500)
<b>Total</b>	<b>139 440 000</b>	<b>98 731 200</b>	<b>108 799 296</b>	<b>119 727 800</b>	<b>(162 105 382)</b>
Revenue per Year from 5 to perpetuity			<b>52 837 624</b>		
Perpetuity CF in 5th year			<b>264 188 121</b>		

To calculate NPV, a 20% discount rate was used, which is equal to the inflation rate in Kazakhstan. The NPV is 94 million tenge.

**Table 10. NPV calculation for renting 500 sq.m.**

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Income	70 800 000	92 832 000	116 638 980	146 635 785	184 444 864
Expense	(139 440 000)	(98 731 200)	(108 799 296)	(119 727 800)	(131 607 240)
Free Cash Flow (FCF)	(68 640 000)	(5 899 200)	7 839 684	26 907 985	52 837 624
Taxes	-	-	-	-	(2 609 219)
Terminal Value (TV)					293 712 621
total FCF	(68 640 000)	(5 899 200)	7 839 684	26 907 985	343 941 027
Discount rate	20%				
Discounted Cash Flow (DCF)	(57 200 000)	(4 096 667)	4 536 854	12 976 459	138 222 185
<b>Net Present Value (NPV)</b>	<b>94 438 831</b>				

Similarly, two alternatives were calculated:

1. Renting 1000 square meters.
2. Purchasing a 500 square meter commercial property for 300 mln KZT.

All our assumptions can be found in the Tables below.

**Table 11. NPV calculation for renting 1000 sq.m.**

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Income	104 600 000	137 129 000	172 674 685	217 520 952	274 114 600
Expense	(233 760 000)	(148 003 200)	(163 380 096)	(180 016 808)	(198 049 487)
Free Cash Flow (FCF)	(129 160 000)	(10 874 200)	9 294 589	37 504 144	76 065 113
Terminal Value (TV)					439 374 566
Total FCF	(129 160 000)	(10 874 200)	9 294 589	37 504 144	515 439 679
Discount rate	20%				
Discounted Cash Flow (DCF)	(107 633 333)	(7 551 528)	5 378 813	18 086 489	207 143 647
<b>Net Present Value (NPV)</b>	<b>115 424 088</b>				

**Table 12. NPV calculation for buying 500 sq.m.**

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Income	70 800 000	92 832 000	116 638 980	146 635 785	184 444 864
Expense	(340 440 000)	(50 311 200)	(60 555 696)	(71 269 712)	(82 553 005)
Free Cash Flow (FCF)	(269 640 000)	42 520 800	56 083 284	75 366 073	101 891 859
Taxes	-	-	-	-	(1 244 403)
Terminal Value (TV)					686 606 296
Total FCF	(269 640 000)	42 520 800	56 083 284	75 366 073	787 253 752
Discount rate	20%				
Discounted Cash Flow (DCF)	(224 700 000)	29 528 333	32 455 604	36 345 521	316 379 627
<b>Net Present Value (NPV)</b>	<b>190 009 085</b>				

Breakeven analysis:

As our already done NPV calculations with detailed information. We did a brief calculation of the breakeven point (Table 12). For the Fixed Costs (Initial Investment + Annual Costs) we took:

- Initial Investment: 50,000,000 KZT
- Total Salary for 5 years: 377,295,180 KZT
- Other Costs for 5 years: 171,010,355 KZT
- Total Fixed Costs = Initial Investment + Total Annual Costs
- $TFC = 50,000,000 + 377,295,180 + 171,010,355 = 598,305,535$  KZT
- Terminal value = 293,712,621 KZT

Average Price per Course: is calculated as average price according to the student numbers year by year and course by course – 74,216 KZT see the screenshot below (Table 13).

Break even quantity is  $(598,305,535-293,712,621)/71,184 = 4,104$  courses.

**Table 13. Weighted average price calculation.**

<b>Course</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
IELTS/TOEFL	Price	60 000	69 000	79 350	91 253	104 940
	Qty	180	198	218	240	264
English	Price	25 000	28 750	33 063	38 022	43 725
	Qty	720	792	871	958	1 054
BIL/NIS/ RPMS	Price	100 000	125 000	143 750	165 313	190 109
	Qty	360	396	436	479	527
<b>Weighted average price for 5 years</b>						<b>74 216</b>

## Recommendations

After a comprehensive situational analysis of the market, we present the following key recommendations to optimize the growth and sustainability of the venture, which combines Your English School (YES) and a coffee shop (Barista) within a co-working space:

1. Introduction of Preparation Courses for NIS, RPMS, and BIL Schools. The market analysis reveals a high demand for preparation courses targeting NIS, RPMS, and BIL. This presents a significant opportunity to expand course offerings. Launching these courses will increase the customer base and average revenue per customer. It aligns with market demand and strengthens its position in the educational sector.

2. Pricing Policy Alignment with Conjoint Analysis Insights. The conjoint analysis has shown that the target audience perceives a price point of approximately 80,000 KZT as optimal for preparation courses. Other educational centers usually charge in the range of 80,000KZT to 125,000KZT. Adapting pricing strategy in line with these insights will enhance competitiveness, attract a wider customer base, and improve revenue generation.

3. Consideration of renting a 500 sq.m. office space. The NPV analysis indicates that renting a 500 sq.m. office space, with initial investments of 50 million KZT, has a positive NPV of 94 mln KZT within 5 years. The alternative of

purchasing facilities in the same space with a higher NPV is an option but requires substantially more initial investments, around 300 million KZT.

4. Explore Revenue Generation from Unused Space. A prudent approach to resource management involves the regular analysis of room utilization levels. If specific rooms are underutilized over time, consider renting them out to third parties to generate additional revenue streams. This approach not only maximizes the utility of available space but also offers a supplementary income source, enhancing overall profitability.

5. Expansion into Preparation for International Universities. The long-term CLV can be significantly enhanced by offering services for the preparation of international university applications. This development aligns with the journey of loyal customers, who start their educational path with YES educational center in middle school. Extending services to international university preparation ensures continued customer engagement and presents an opportunity for further growth and revenue generation.

These actions will not only reinforce competitive advantages but also create a foundation for future expansion and success.

## Implementation

### 5.1. Organizational form

- **Legal:** Given the company's turnover derived from NPV calculations, it is recommended to initially establish a Limited Liability Partnership (LLP) under the simplified tax regime. Under Article 683 of the Tax Code of the Republic of Kazakhstan, LLP is eligible to apply the simplified tax regime if it simultaneously meets the following criteria: a workforce of no more than 30 employees; income for the half-year does not exceed the limit of 24,038 Monthly Calculation Indices, which is equivalent to 82,931,100 KZT in 2023; etc.
- **Location and Space:** Based on the results of conjoint analysis, which indicate that parents prefer locations within a 30-minute drive, businesses should engage the services of a real estate agency to assist in identifying commercial spaces in densely populated areas, preferably in close proximity to areas with a high concentration of schools. Additionally, as indicated by the NPV analysis, we should target spaces with an area of approximately 500 square meters and aim for a monthly rent not exceeding 2 million KZT.
- **Renovation Works:** The renovation and Design company should provide technical design and renovation services with a contractual guarantee, taking

into consideration the specific requirements of the business while also prioritizing safety and the needs of schoolchildren. This entails developing a detailed renovation plan that encompasses layout design, aesthetics, and functionality, all while adhering to safety and accessibility standards.

- **Recruitment:** Based on market analysis and considering the established company payroll, it is recommended to maintain a staff size of 11 individuals at the beginning stage. This staffing plan includes 2 Office Managers who will work in shifts and 9 teachers (4 for English, 2 for mathematics, 1 for Kazakh, 1 for Russian languages, and 1 as a reserve). Additionally, the organization should enter into outsourcing agreements for services such as accounting, IT support, and marketing. The Director can conduct recruitment activities, which include interviews and reference checks, to identify the right candidates. Furthermore, the Director should oversee the training and onboarding process to ensure that all staff members are well-prepared for their respective roles.
- **Customer Relationship Management (CRM) Software:** A CRM system helps to manage customer interactions and gather essential data. It can track customer preferences, help with membership management, and provide insights for personalized communication and marketing efforts. After careful consideration, we have identified two of the best CRM solutions that align

with our project's objectives: Bitrix24 and amoCRM. These CRM systems offer a robust set of features and capabilities to support our mission of providing a multifunctional and enriching learning environment.

Bitrix24, in particular, stands out as a preferable choice, given its robust set of features and the added advantage of being a free solution tailored for small businesses. This makes Bitrix24 an attractive option for our project, aligning with our goals while also offering cost-effective benefits for the organization.

## 5.2. Pricing Policy

Aligning with the value proposition YES educational center is going to provide courses to gain admission to top-ranked schools, complemented by a co-working space, and a cozy coffee shop. That is why the pricing policy shouldn't be focused on providing the cheapest price. By leveraging the insights from the competitive analysis the first year the price should be at the average with competitors to attract new clients and let them become acquainted with the YES educational center and get an experience of the co-working space and coffee shop. The following year the pricing strategy should be focused on the upper ceil. Also, we can suggest optionally a couple of extra discount strategies as below:

1) Family Discounts: In light of Kazakhstan's high birth rate, as reported by the National Statistics Bureau, where the Total Fertility Rate (TFR) - the number of children born to an average woman throughout her reproductive years (15-49 years) - reached 3.32 in 2021 (compared to 3.13 in 2020), it's evident that many families have multiple school-age children (Akhmadov, 2022). According to our survey, over 55% of parents have two or more school-age children.

To cater to these larger families, the center should offer family discounts. These discounts are designed to make it more affordable for families with multiple children to access co-working space and educational services. Families with two or more school-age children can take advantage of reduced rates and bundled packages that help ease the financial burden of additional education. It is a common practice in Kazakhstan to provide those discounts at schools, educational centers, entertainment parks, etc.

2) Promotions and Loyalty Programs: To attract new members and coincide with academic schedules, a series of seasonal promotions should be introduced. For example, during the back-to-school season, offer special discounted rates or added perks to entice students and parents to join our co-working space. These promotions can also align with other significant academic periods, such as exam preparation seasons or holidays.

Encourage existing members to become brand advocates by launching a

referral program. When an existing member refers to a new member, both parties can benefit. The referrer may receive credits, discounts, or other incentives, while the new member can enjoy an introductory offer or a bonus for being referred. Create a multi-tiered loyalty program based on member tenure and engagement. As members remain over time, they can progress through different levels, each offering increasing benefits.

Incorporating these expanded promotions and loyalty programs into pricing policy ensures that business not only attracts new members during key periods but also fosters a strong sense of community and long-term commitment among our existing members. This, in turn, contributes to the sustainability and success of our innovative co-working space project. For example, we can implement "Achievement Discounts" where members receive a 10% discount for reaching specific educational milestones. This approach not only enhances our project's sustainability but also promotes its long-term success.

### 3) Transparent Pricing:

To address the prevailing issue of unclear pricing in the Kazakhstani market, transparent communication of pricing is ensured on the website and promotional materials. This includes an itemized breakdown of the services and benefits included in each plan. Following this approach, companies that customers fully

understand what they are paying for and how our co-working space meets their needs.

By implementing this pricing policy, the aim is to strike a balance between accessibility and profitability while delivering a comprehensive and enriching learning experience that fulfills the evolving demands of modern education.

### 5.3. Marketing

The educational center is an innovative concept that aims to cater to a diverse clientele, including middle and high school students. To ensure the success of this venture, a comprehensive marketing plan that aligns with goals and aspirations is needed. By implementing this marketing plan, aim to achieve several important objectives: boost brand awareness to attract new potential customers; generate potential customers who have shown interest through marketing activities; position co-working space as the go-to destination for students and schoolchildren to study, collaborate, and learn.

- Social media marketing. In today's digital age, social media is a potent tool for reaching target audiences. A strong online presence by creating dedicated social media accounts on platforms like Facebook, Instagram, and TikTok should be established. Through these channels, it will showcase co-working space with visually engaging content such as photos and videos. Regular

updates about events, promotions, and educational activities will keep the audience informed and engaged. To enhance excitement and interaction, marketing specialists organize social media contests and giveaways. These activities not only foster engagement but also create opportunities for word-of-mouth marketing as participants share their experiences with their friends and followers.

- Search engine optimization and online advertising. Online advertising is another crucial component of marketing strategy. By utilizing platforms like Google ads and Yandex ads to run targeted ad campaigns and focusing on specific demographics and interests, businesses will efficiently reach potential customers who align with offerings. For example, online ads will target students and parents. Also, it should be taken into account geographical targeting, ensuring that those who live or work in the vicinity of the educational center are also covered. To increase the effectiveness of campaigns, advertisements should aim at individuals who have expressed an interest in extracurricular education, and entrance exams to top-ranked schools.
- Direct email marketing. Platforms like MailChimp, Constant Contact, or HubSpot can assist in creating and managing email marketing campaigns, newsletters, and automated drip campaigns;

- Offline marketing and public relations.

#### 5.4. Future Business Development

- Feedback and survey tools. Digital feedback and survey tools enable the collection of valuable input from members and parents. Regular surveys can help to understand their satisfaction, preferences, and areas for improvement. We suggest employing widely accessible and user-friendly tools such as Google Forms or SurveyMonkey. Google Forms provides a convenient way to create surveys and feedback forms, which can be easily shared with members and parents. By utilizing this free solution, valuable feedback can be gathered, conduct regular assessments, and actively involve our community in shaping the future of co-working space.
- Office space utilization analysis and rental redistribution. Conduct regular assessments of classroom and office space occupancy. If certain areas are consistently underutilized, consider reallocating them for rent to external businesses or organizations. This initiative will optimize space usage and generate additional revenue streams.
- Product line expansion. Explore opportunities to diversify product offerings. This could involve introducing new educational programs like preparation for local and international top-ranked university applications, that can

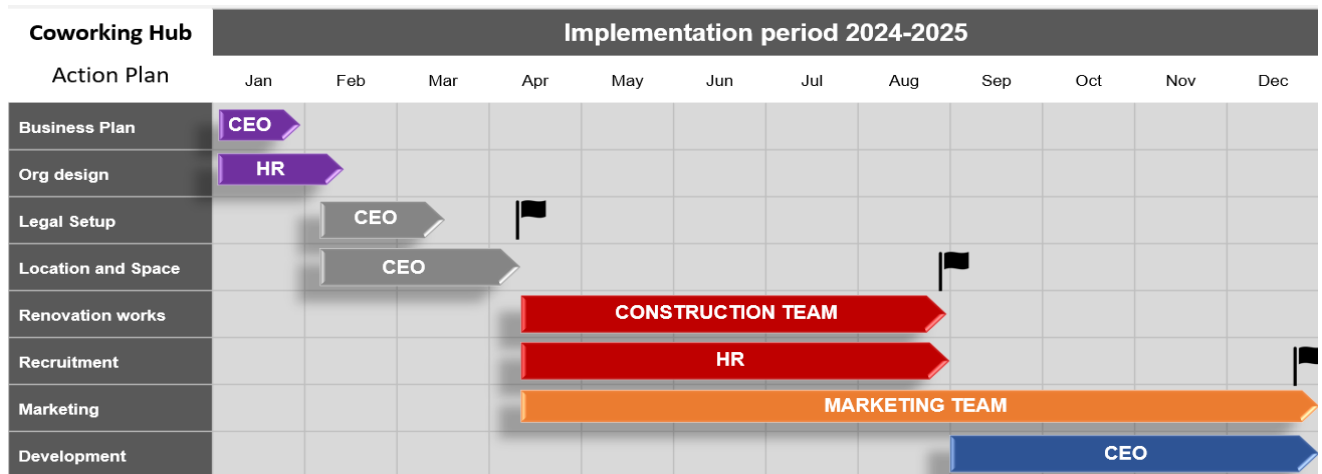
increase the customer lifespan, workshops, or services that cater to the needs and interests of both students and co-working clients. Align these expansions with market demand and emerging educational trends.

- Scalability assessment. Continuously evaluate the feasibility of scaling up the co-working learning center concept. Assess whether replicating the model in different locations or expanding the current facility is viable based on financial projections, market demand, and operational capacity.
- Promoting eco-friendly practices. Embed eco-friendly practices into the organization's culture and operations. This can include initiatives like recycling waste, adopting sustainable materials, and promoting environmental awareness among staff, students, and clients. Popularize commitment to environmental responsibility through marketing campaigns and educational programs to attract like-minded individuals and organizations.
- Customer service. Place a strong emphasis on providing exceptional customer service. Excellent customer service is a cornerstone of any successful business, and in a co-working space, it plays an even more critical role.
- Welcoming and supportive environment is essential to the satisfaction of our customers. Whether it's offering a friendly greeting at the door, providing

assistance with setting up in our space or ensuring the availability of high-quality amenities and services, we are committed to going the extra mile for our clients.

- Introduce an online booking and reservation system. An online booking system allows members to reserve study rooms, meeting spaces, or special educational sessions. This tool streamlines the booking process and helps manage space availability. Plan to implement a free online booking and reservation system. For instance, initially, it could be done through platforms such as Google Calendar. While Google Calendar offers a basic level of booking functionality, it can efficiently meet our early needs, allowing members to schedule their preferred spaces and sessions. As business grows, more feature-rich and tailored booking systems should be explored to further enhance the member experience.

**Figure 8. Gantt Chart.**

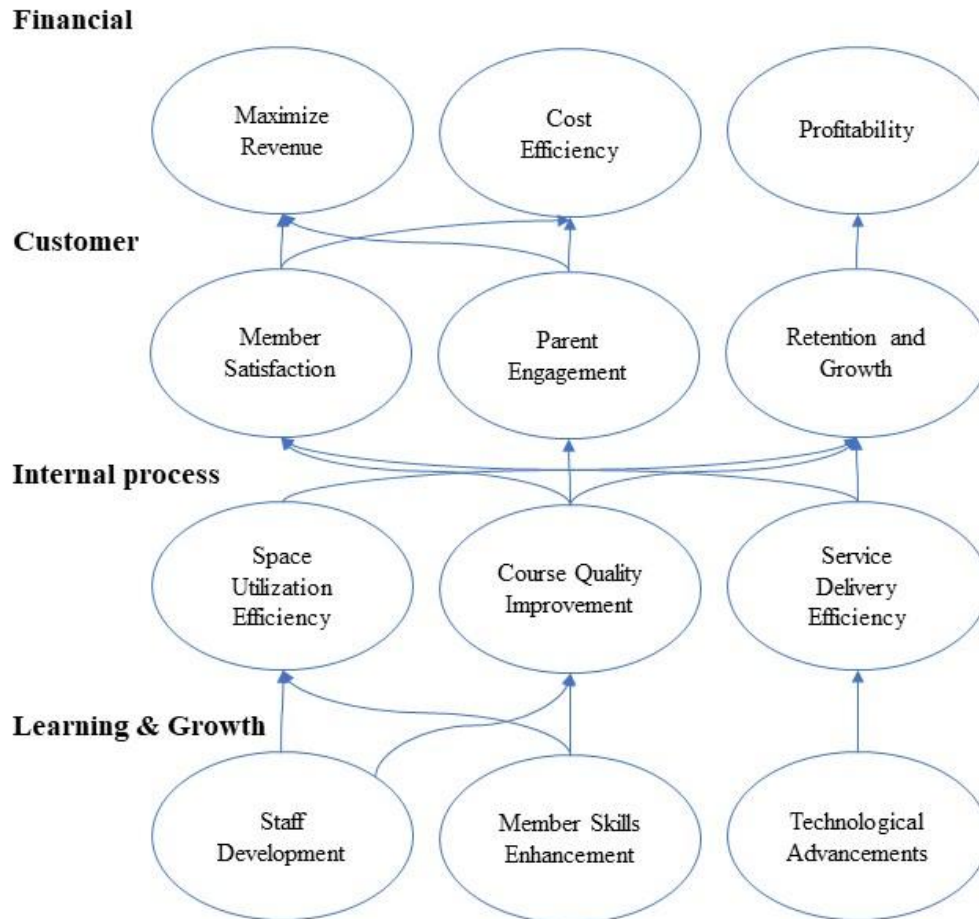


## Measures of effectiveness

**Table 15. Balanced scorecard.**

	Objectives	Measures	Targets	Initiatives
Financial	Maximize Revenue	Total Revenue	Achieve a 10% increase	1. Introduce premium membership tiers for bundled courses.
	Cost Efficiency	Operating Expenses	Maintain expenses within 50% of revenue	2. Regularly assess and optimize operational costs.
	Profitability	Net Profit Margin	Steadily Increasing Net Profit Margin	3. As the result of the first two initiatives
Customer	Member Satisfaction	Member Feedback Surveys	Maintain a satisfaction score of 85%	1. Implement regular member feedback surveys. (tools as described in the implementation section)
	Parent Engagement	Parent Involvement	Increase parental involvement by 20%, 90% understanding among parents on how to use the educational tracking program	2. Organize parent-teacher events and workshops, as well as a discount system for top students. 3. Organizing workshops and tutorials to ensure full comprehension.
	Retention and Growth	Member Retention Rate	Achieve a member retention rate of 80%	3. Launch loyalty programs with incentives for long-term commitment.
Internal process	Space Utilization Efficiency	Space Occupancy Rate	Maintain a 70% occupancy rate	1. Implement an efficient booking and scheduling system.
	Course Quality Improvement	Course Evaluation Results	Achieve an average course rating of 4.0 out of 5.0	2. Conduct regular course evaluations and make improvements accordingly.
	Service Delivery Efficiency	Response Time for Member Queries	Respond to queries within 24 hours	3. Implement an efficient member support system.
Learning & Growth	Staff Development	Staff Training Participation	Achieve 90% participation rate	1. Offer continuous training and development opportunities for staff.
	Member Skills Enhancement	Tutor Course Completion	Increase course completion rates by 15%	2. Offer additional resources and study materials to enhance the tutor's skills.
	Technological Advancements	Integration of CRM and Booking Systems	Achieve 100% integration	3. Implement a comprehensive CRM system that includes a parent portal for real-time monitoring of their child's achievements and progress.

**Figure 9. Simplified Strategy Map.**



The balanced scorecard for the YES educational center project reflects a comprehensive approach to project management, aligning objectives with specific measures, targets, and initiatives across four key perspectives. In the financial domain, objectives revolve around maximizing revenue, ensuring cost efficiency, and achieving profitability. Initiatives include the introduction of premium membership tiers and strategic cost optimization.

The customer perspective underscores the importance of member satisfaction, parent engagement, and retention and growth. Strategies include regular member feedback surveys, organizing parent-teacher events, and launching loyalty programs to foster long-term commitment.

Efficiency in internal processes is key to space utilization, course quality, and service delivery. Initiatives involve implementing efficient booking and scheduling systems, conducting regular course evaluations, and enhancing member support systems.

The learning and growth perspective focuses on staff development, member skills enhancement, and technological advancements. Initiatives entail continuous training and development for staff, providing additional resources for member skill improvement, and investing in CRM and booking systems.

This balanced scorecard not only guides the project in meeting its objectives but also emphasizes the interconnectedness of financial, customer, and internal processes, as learning and growth aspects. By consistently evaluating and adapting these measures, we ensure a holistic approach to project management that aligns with our mission of providing a multifunctional and enriching learning environment.

## Acronyms and Glossary of Key Terms

**NIS** - Nazarbayev Intellectual School

**RPMS** - Republican Physics and Mathematics School

**BIL** - Bilim Innovation Lyceum

**UNT** - The Unified National Testing is a system for assessing the knowledge of graduates used in Kazakhstan.

**Porter's Five Forces** - a strategic framework that helps to identify and analyze five forces (Threat of new entrants, Bargaining power of suppliers, Bargaining power of buyers, Threat of substitutes, Competitive rivalry) that affect a company's profitability in any given industry.

**PESTEL** - is an acronym for a tool used to identify the macro (external) forces facing an organization. The letters stand for Political, Economic, Social, Technological, Environmental and Legal.

**SWOT** - (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

**CRM** - Customer relationship management is a process in which a business or other organization administers its interactions with customers, typically using data analysis to study large amounts of information.

**Bolashak International Scholarship** is a scholarship introduced by the President of the Republic of Kazakhstan for full-time training of citizens in the leading foreign higher education institutions so that they can get master's degrees, doctor of philosophy (Ph.D.) degrees, doctor's degrees, or residency training while working individuals whose job categories are determined by the Republican Committee for Training of Specialists Abroad can undergo internship in foreign organizations.

**Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital from the balance sheet.

**Terminal value (TV)** is the value of an asset, business, or project beyond the forecasted period when future cash flows can be estimated. Terminal value assumes a business will grow at a set growth rate forever after the forecast period. Terminal value often comprises a large percentage of the total assessed value.

**Discounted cash flow (DCF)** refers to a valuation method that estimates the value of an investment using its expected future cash flows.

**Net present value (NPV)** is used to calculate the current value of a future stream of payments from a company, project, or investment. To calculate NPV, need to estimate the timing and amount of future cash flows and pick a discount rate equal to the minimum acceptable rate of return.

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## Appendix A

## Porter's Five forces

Forces	Implications	Risk
<b>Threat of New Entrants</b>	<ul style="list-style-type: none"> <li>● Low barriers to entry as setting up a space requires minimal technical know-how.</li> <li>● Increasing popularity of educational/ academic courses can attract new players.</li> <li>● Local entrepreneurs or schools might see the potential and start their own.</li> </ul>	Moderate - High
<b>Bargaining Power of Suppliers</b>	<ul style="list-style-type: none"> <li>● Teachers' reputation and success rate of their students is important</li> <li>● Personal experience and independence in food and beverages supply</li> <li>● Dependence on property owners for renting spaces.</li> </ul>	Moderate
<b>Bargaining Power of Buyers</b>	<ul style="list-style-type: none"> <li>● Number of customers increases each year. As there are new middle school students every year.</li> <li>● Low switching costs for buyers</li> <li>● Price sensitivity for wide-spread courses like English, but combined courses are not so price-sensitive.</li> </ul>	Moderate
<b>Threat of Substitute Products or Services</b>	<ul style="list-style-type: none"> <li>● Libraries, home study, online courses, self-study or school facilities can be alternatives.</li> <li>● Online collaboration tools reduce the need for physical spaces</li> <li>● Offline courses can be more effective for more restless middle school students</li> </ul>	Moderate
<b>Rivalry Among Existing Competitors</b>	<ul style="list-style-type: none"> <li>● As the market grows, more players might enter leading to increased competition.</li> <li>● Competition is high, which may result in heightened price competition or the introduction of promotional offers.</li> </ul>	High

## Appendix B

## PESTEL Analysis

LOCAL, NATIONAL OR GLOBAL FINDINGS	IMPLICATIONS	OPPORTUNITY/ THREAT
<b>Political</b>		
<p><b>In 2022 three branches of foreign universities were established, and it is anticipated that six more will be introduced in the near future. This initiative is being carried out by the Ministry of Education under the direction of the President, who has repeatedly emphasized that integration into the global education space will enhance the competitiveness of the domestic higher education system. It will facilitate the preparation of highly skilled professionals, especially in technical fields, which are in demand by Kazakhstan's economy</b></p>	<p>This strategic decision not only harmonizes with the global educational landscape but also positions Kazakhstan to cater to its specific economic requirements by giving priority to technical education. The political agenda at play aims to nurture a highly skilled workforce and align the nation with international educational standards. As a result, this shapes the future landscape of Kazakhstan's education and workforce development, potentially impacting economic growth and global competitiveness, which, in turn, has implications for the learning center business, especially one following a coworking model with courses for school students</p>	Opportunity
<p><b>Educational landscape extends to the policies and requirements set by the country's top universities and programs such as the Bolashak Scholarship Program. These institutions have adopted stringent language and academic proficiency criteria for admission. To be eligible for enrollment, prospective students must demonstrate a certain level of English language proficiency, typically measured through standardized tests like IELTS or TOEFL. Additionally, depending on their chosen major, candidates may be required to pass SAT or other mathematical assessments. These policies reflect a commitment to maintaining high academic standards and ensuring that students are well-prepared for the rigorous demands of higher education in Kazakhstan and abroad</b></p>	<p>The need for preparation in subjects like English, mathematics, as exemplified by IELTS and SAT requirements, opens up opportunities for learning centers to offer specialized courses and tutoring in these areas. As students strive to meet the stringent academic criteria set by universities, the demand for supplementary educational services grows. This presents a favorable environment for learning centers to expand their offerings and cater to the needs of aspiring university students, creating a potentially thriving market within the education sector. In essence, the policies set by universities and programs have the potential to shape the curriculum and services offered by learning centers, leading to increased relevance and growth in this sector.</p>	Opportunity
<b>Economic</b>		
<p><b>As of 2023, Kazakhstan has experienced fluctuations in its economic indicators. For instance, the inflation rate, which impacts the purchasing power of the Kazakhstani tenge, reached at around 15%. A high inflation rate can erode the purchasing power of consumers, making them more cautious about discretionary spending</b></p>	<p>For coworking spaces targeting school students, these economic indicators suggest a cautious approach. The inflation rate implies that families might be more price-sensitive, seeking value for every tenge spent.</p>	Threat

<p><b>Increasing number of foreign companies and opportunities for students to secure employment abroad upon graduation. The presence of foreign companies establishing operations in Kazakhstan's growing markets creates a demand for a workforce with diverse skill sets, including proficiency in languages and international business practices</b></p>	<p>International economic engagement also translates to greater value placed on educational credentials. Students and job seekers are increasingly seeking degrees from reputable universities, often with an emphasis on maintaining high GPAs. These credentials serve as a competitive advantage in both the local job market and for those aspiring to work abroad. As a result, educational institutions, including learning centers and universities, are under pressure to meet the demand for language proficiency programs, courses aligned with international business standards, and academic excellence to equip students with the skills and qualifications required to succeed in the global job market</p>	<p>Opportunity</p>
<p><b>The government has been actively investing in the development of infrastructure, including the construction of roads, the expansion of LRT, and the improvement of public transportation services, such as buses and bus stops. This concerted effort is aimed at enhancing the overall transportation network and accessibility across the country</b></p>	<p>With improved road networks and public transportation options, students will find it more convenient to reach learning center locations. This increased accessibility can positively impact enrollment rates and the overall effectiveness of learning centers, as they become more accessible to a broader range of students across different parts of the city. It also aligns with the broader goal of providing equitable educational opportunities, as transportation barriers are reduced, enabling more students to access quality educational services</p>	<p>Opportunity</p>
<p><b>Socio-cultural</b></p>		
<p><b>Traditionally, in Kazakhstan, there has been a strong emphasis on academic achievement within families, seen as a key avenue towards success and upward mobility. This cultural value has deep roots and is further bolstered by the historical importance placed on education during the Soviet era. However, there is huge competition among students for a limited pool of grants and scholarships offered by aspirational domestic and foreign universities. This competition underscores the significant value placed on securing quality education, and the pursuit of scholarships has become an integral part of the educational landscape in Kazakhstan</b></p>	<p>For coworking spaces targeting school students, this cultural emphasis on education presents a significant opportunity. Spaces that offer not just a place to study but also opportunities for collaborative projects, exposure to international curricula, or language practice might be particularly appealing to Kazakh parents</p>	<p>Opportunity</p>

<p><b>Indoor Environmental Quality and Physical Well-being:</b> With increasing awareness about health, well-being, and the benefits of physical activity, there's a focus on ensuring that indoor spaces not only offer a conducive environment for work and study but also promote physical health. Beyond just ensuring spaces are free from pollutants and have good air quality, there's a growing trend to incorporate elements that cater to the physical well-being of the occupants</p>	<p>For coworking spaces catering to school students in Kazakhstan, ensuring a healthy indoor environment is crucial. This can be achieved through proper ventilation, using non-toxic building materials, and incorporating indoor plants to improve air quality. Additionally, integrating spaces for physical activities, such as a room for yoga, pull-up bars, or even facilities for table tennis, can be a significant draw. Such amenities not only promote physical health but also provide students with a much-needed break, enhancing their overall productivity and well-being. Offering these features can differentiate a coworking space, making it more appealing to both students and parents who are keen on holistic development</p>	<p>Opportunity</p>
<p>According to interviews and survey results, parents hold a strong desire to engage their children in productive activities during their free time. This desire stems from a commitment to ensuring that their children are not spending time without purpose, wandering aimlessly with random people. Instead, parents are increasingly inclined to have their children interact with peers who share similar ambitions and goals in a secure and controlled environment</p>	<p>Parents want to provide their children with opportunities to acquire knowledge through supplementary courses, thereby fostering a sense of purpose and personal development. It also influences the demand for educational services that align with these preferences, reinforcing the importance of learning centers and educational institutions that cater to the developmental needs of ambitious young learners within a safe and nurturing environment</p>	<p>Opportunity</p>
<p>Given the successful experience of coworking spaces for entrepreneurs in fostering creativity and innovation, this model could be applied to coworking spaces tailored for school students in Kazakhstan. The country has been undergoing rapid urbanization, particularly in cities like Almaty and Astana, where urban living has led to notable changes in lifestyle. In these urban settings, apartments may be smaller, potentially lacking dedicated study spaces for students. Moreover, urban lifestyles place a strong emphasis on networking, collaboration, and community engagement, values that align with the core principles of coworking environments</p>	<p>The trend of urbanization suggests a growing market for coworking spaces, especially in major cities. Students in urban areas might seek out coworking spaces not just for studying but also for networking, attending workshops, or participating in group projects. Businesses should consider these changing dynamics and design spaces that cater to both individual study needs and collaborative endeavors. Offering workshops, networking events, or mentorship programs can further enhance the appeal of these spaces for Kazakh students and their parents</p>	<p>Opportunity</p>
<b>Technological</b>		
<p>Kazakhstan has been making significant progress in enhancing its digital infrastructure, particularly in urban hubs like Almaty and Astana. The government is actively engaged in efforts to expand broadband connectivity and increase internet penetration rates. While this digital transformation is of paramount importance for various sectors, including education, it's essential to acknowledge that the preferences and effectiveness of online learning for school students may differ</p>	<p>Kazakhstan's commitment to digitalization is evident, and there is a strong expectation, especially among the younger generation, for seamless online experiences. However, coworking spaces catering to school students should strike a balance and provide the option for offline educational activities and interactions. This approach acknowledges the unique challenges of online education for children and aligns with the prevailing sentiment among parents, emphasizing the importance of flexibility in educational delivery methods</p>	<p>Opportunity</p>

<p><b>With the global trend towards online education and the adoption of EdTech solutions. Schools and educational institutions in the country have been integrating technology into their curricula, and students are becoming more accustomed to using online platforms for learning. The COVID-19 pandemic further accelerated this trend, with many institutions temporarily shifting to online modes of instruction</b></p>	<p>Coworking spaces in Kazakhstan should recognize and adapt to this technological shift in education. Spaces should be equipped with facilities that support online learning, such as video conferencing tools, digital collaboration spaces, and access to popular EdTech platforms. Additionally, partnering with EdTech companies or offering workshops on how to effectively use these platforms can add value to the students and make the coworking space more appealing</p>	<p>Opportunity/ Threat</p>
<p><b>Environmental</b></p>		
<p><b>Urban areas, in particular, face challenges related to waste disposal, and there's a growing emphasis on reducing single-use items and promoting recycling</b></p>	<p>Coworking spaces can play a role by implementing waste reduction and recycling initiatives. This could include providing facilities for separating and recycling waste, reducing single-use plastics in cafeterias or snack areas, and promoting a culture of sustainability among its users. Such initiatives not only contribute to environmental preservation but also position the coworking space as a responsible and forward-thinking establishment</p>	<p>Opportunity</p>
<p><b>Legal</b></p>		
<p><b>Government regulations governing the establishment and operation of coworking spaces, particularly those catering to school students, are notably less stringent when compared to traditional educational facilities. These regulations may encompass safety standards, employee background checks, and the necessity for specific licenses to conduct business. Moreover, zoning laws could dictate the permissible locations for such establishments, particularly if they are in proximity to schools</b></p>	<p>The reduced regulatory burden on coworking spaces offering additional courses for school students in comparison to traditional educational institutions translates to lower initial setup costs and operational expenses. This regulatory environment can potentially provide a competitive advantage to coworking learning spaces in terms of cost efficiency and flexibility</p>	<p>Opportunity</p>

## Appendix C

## The list of questions from interview

- 1) What do you do? Do you work online or offline?
- 2) How long have you been attending English language courses in YES Educational Center , and how did you learn about these courses?
- 3) What is your goal in YES Educational Center ?
- 4) What is your English language proficiency level?
- 5) How old is your child?
- 6) How many children do you have, and do they attend extracurricular activities?
- 7) How does your child spend their free time?
- 8) What type of school does your child attend (private or public)?
- 9) How much do you spend per course on extracurricular activities, and what activities does your child attend?
- 10) Based on what criteria do you choose extracurricular activities (location, tutor, price)?
- 11) What additional courses would you like to study?
- 12) What are your child's eating habits? How does your child have lunch or snack? Does your child have school meals, and how much do you spend on them?

- 13) Have you had any experience with co-working spaces? Have you or your acquaintances used them?
- 14) Do you attend any extracurricular activities yourself? If so, which ones and at what times?

## Appendix D

## The list of questions from survey

- 1) In which grade do your children study, and which school do they attend?  
If you don't have school-age children, please leave this field blank.
- 2) What extracurricular courses do your children attend?
- 3) What academic courses does your child attend?
- 4) Are there any challenges in teaching your child online (via Zoom, Google Meet, WhatsApp calls, and other platforms)?
- 5) On which day(s) of the week is it convenient for your child to attend extracurricular classes?
- 6) On average, how much do you spend per month on extracurricular activities for one child?
- 7) How does your child have snacks?
- 8) Demographic questions: Please specify your age, gender, occupation, and region of residence.

## Appendix E

## Survey Layout Samples

В каком классе учатся ваши дети и в какую школу они ходят?

Если у вас нет детей школьного возраста, пожалуйста, оставьте поле пустым

	Класс 0-12	Школа	
		Частная	Государственная
ребенок 1	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
ребенок 2	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
ребенок 3	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
ребенок 4	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
ребенок 5	<input type="text"/>	<input type="radio"/>	<input type="radio"/>

Академические курсы

	Выберете один вариант		
	Не заинтересован	Заинтересованы, уже посещаем	Заинтересованы, планируем посетить
Английский Язык	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IELTS/TOEFL	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SAT/GRE/GMAT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Подготовка к поступлению в Назарбаев Интеллектуальную Школу, Республиканскую Физико - Математическую Школу и тд	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Подготовка к поступлению в зарубежные университеты	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Другое, пожалуйста, уточните	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Какие дополнительные курсы посещают ваши дети?

Никакие

Спортивные

Творческие занятия (танцы, рисование, музыка)

Академические (английский язык, математика, подготовка к поступлению, SAT, IELTS, GRE и тд.)

Другое, пожалуйста, уточните

Сколько вы в среднем в месяц тратите на дополнительные занятия на одного ребенка?

10,000-50,000 KZT

50,001-100,000 KZT

100,001-150,000 KZT

150,001-200,000 KZT

200,001 KZT и более