Case Academy – Midway Case

5-hour case

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GoLittle | Intro

There are more than 750,000 child families in Denmark, and more than 100,000,000 in Europe and the United States.

The parents face one of life's biggest challenges, raising another human being. It is therefore not surprising two out of three mothers and one out of two fathers say they are stressed all the time.

Families with children demand solutions in three key areas **practicalities**, **community** and **time.**
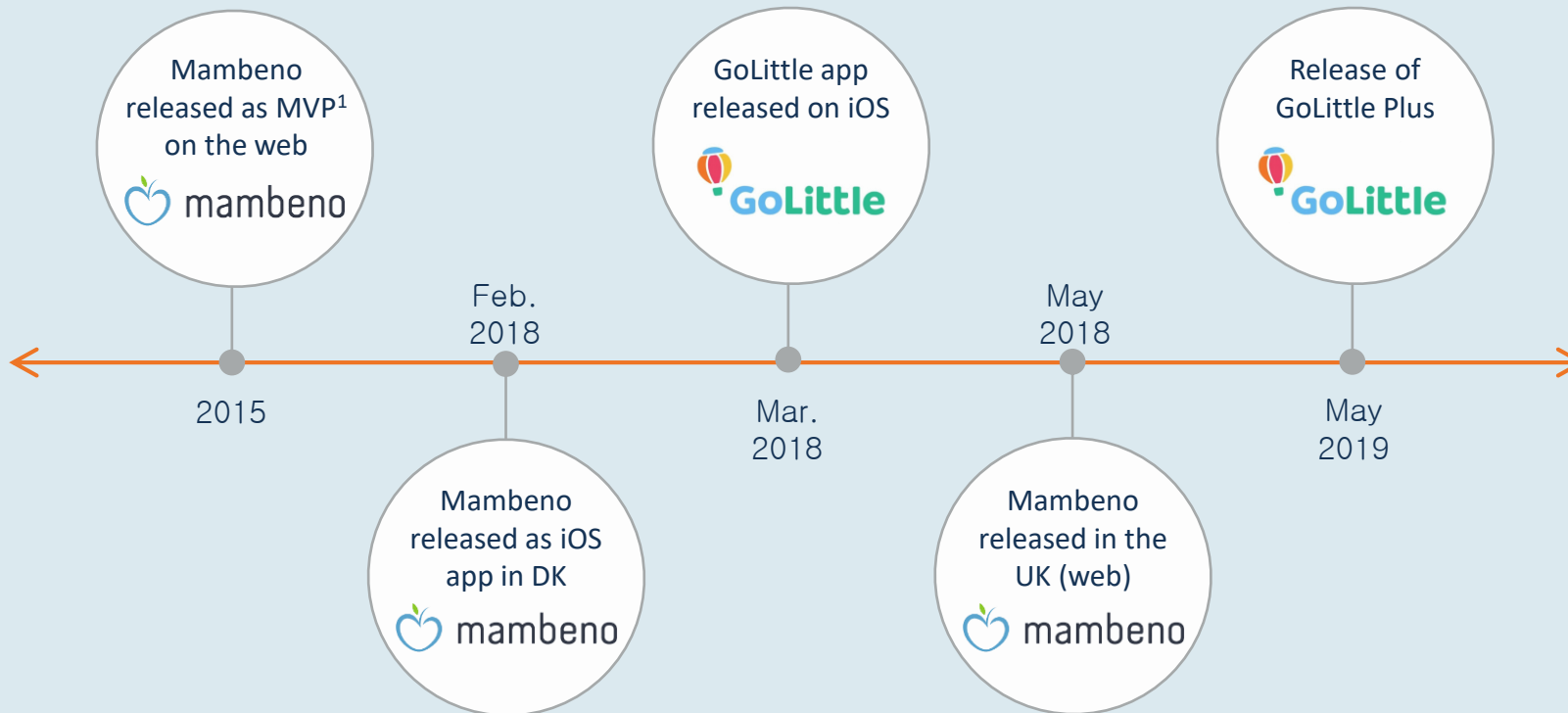
GoLittle | Overview

GoLittle's history

GoLittle ApS consist of the two brands: GoLittle and Mambeno. Both brands serve the dual purpose of *making weekdays more fun and simple for child families*.

Mambeno released as MVP[1] on the web
mambeno

GoLittle app released on iOS
GoLittle

Release of GoLittle Plus
GoLittle

Feb. 2018

May 2018

2015

Mar. 2018

May 2019

Mambeno released as iOS app in DK
mambeno

Mambeno released in the UK (web)
mambeno

GoLittle today

5 full-time workers
6 part-time workers

GoLittle headquartered in Frederiksberg
Mambeno headquartered in Helsinge

Note: (1) Minimum viable product
Source: GoLittle

the GoLittle app | Overview

Description

GoLilttle is the first parent-controlled app in Denmark to gather the best experiences, events, and playmates in one app. The app makes it possible to find child-friendly places and events for the family to visit. Simultaneously, the app lets the parents coordinate playdates, birthdays, school events etc. with each other.

Originally the GoLittle app was intended to function as a counterpart to the widely popular TripAdvisor, but with a focus on child families only.

The app later evolved to first incorporate a feature to coordinate and plan playdates and other children events among parents through *GoLittle Playdates*[1]. After this, the original idea of a guide for relevant child events and places was published during 2018 as *GoLittle Guide*.

Besides the above two main functionalities, the GoLittle app also posts daily articles with e.g. guides on "how to make a healthy dinner for children on the go", articles featuring unique and exclusive events coming soon, or promotional discounts on certain children activities such as entrance to Zoo or Legoland.

GoLittle also arranges a few activities and events in collaboration with outside partners, e.g. *Store Lommepengedag* with Danske Bank or *"Does people believe in Santa?"* with CoolKids. The partnerships have been successful and serve as the only direct revenue source related to GoLittle. However, the partnerships are not easily scalable and require a lot of effort from the GoLittle team to undertake.

GoLittle in numbers

50,000
Downloads since launch in March '18

20,000
Registered parent profiles

1,500
Events in February '19 alone

19,000
Registered children profiles

2,500
Registered places
(e.g. restaurants, playgrounds etc.)

Note: (1) Now put on ice – see appendix
Source: GoLittle, GoLittle Podcast

the GoLittle app | GoLittle Guide

Description

The *GoLittle Guide* functionality enables families to easily get an overview of events, restaurants, playground etc. in near proximity. The functionality can be used to find e.g. good and family-friendly restaurants while on holiday, new playgrounds in your area, good hotels with kids, fun and unique children events, secret nature spots etc. There is significant seasonality in the use of *GoLittle Guide*, with high-season going from late Spring to the end of the Summer, as this is where families and kids have the most time to go out.

The feature is free of charge and enables parents to:

- Get an easy overview of nearby places or upcoming events to visit

- Read relevant info about different places and events

- Read reviews and view galleries posted by other families about the places and events in the app

- Make filtered searches on events and places based on e.g. kids age, price, handicap facilities, etc.

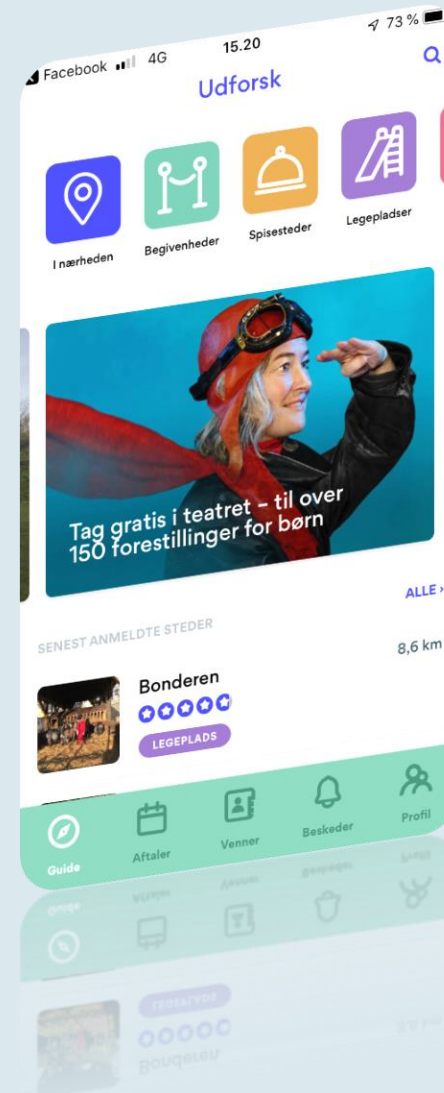- Create favourite lists with own suggestions for other families of where to visit

Events   **Explore different activities**   Theme parks

Nature   Playgrounds
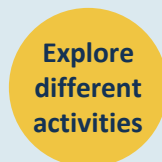
Culture   Accommodations

the GoLittle app | Introducing GoLittle Plus

Description

GoLittle Plus is a benefit club to be launched in May 2019 in the GoLittle app. The idea behind the benefit club is to give companies who target families with children direct access to a large dedicated community. But why would these companies not try and reach this target group on their own? GoLittle has throughout its existence demonstrated an unique ability to communicate and engage with its community. In March 2018 the company won the award "most engaging startup on social media", thus making GoLittle the perfect partner to engage this demographic with.

Companies wanting to put up a benefit on the *GoLittle Plus* platform will have to pay a one time fee of 995 DKK. For this fee companies can then decide for how long the benefit will be visible (up to a year), they will get dynamic exposure on *GoLittle Guide*, a dedicated page in the GoLittle app, a facebook post on the GoLittle Facebook and access to the unique marketing capabilities of GoLittle.

Examples of benefits could be, free entrance for a child accompanied by a paying adult, 20% of dinner, a special Monday price, or something completely different. Together with GoLittle the perfect benefit will be found. The membership price is not yet final, but will be approximately 29 DKK a month per household

the GoLittle app | Startup podcast

Description

As part of the marketing of GoLittle the founder, Morten Resen, created the Startup podcast. The podcast lets listeners follow the journey of GoLittle, from when it was just the idea of "Tripadvisor for kids". Listeners gain a pure raw view into how a tech startup is created, hearing about how you get from idea to actual app, following frustrations over acquiring funding and learning about the hardships of combining family life with being an entrepreneur. The transparent nature of the podcast defines the culture of GoLittle, as they seek to develop their products *with* its users instead of *for* their users.

The podcast has a partnership with Danske Bank, where listeners can hear conversations between Morten and his advisor "Konto-Kent" from Danske Bank's startup support division. The nature of the conversations are completely dependent on the problems GoLittle currently faces, thereby making the partnership a natural part of the startup journey. The revenue generated from the podcast (from partnerships) is another source of funding for GoLittle.

The podcast have been downloaded more than one million times and was named podcast of the year in 2017.

Mambeno | Overview

Description

Mambeno was originally founded on its own by Marlene Landsfeldt, wife of Morten Resen and current CEO of *Mambeno,* but was later incorporated under GoLittle ApS. *Mambeno* has since become a part of GoLittle's larger ambition to offer a full palette of relevant services for child families to make their weekdays more simple and fun.

Mambeno is an online subscription service providing recipes and meal plans for busy families with small children via web and app. Besides this, *Mambeno* has an online store in which families can buy a different products from kitchen equipment to school bags.

Mambeno was launched three years before the GoLittle app in a MVP (Minimum Viable Product) web-version back in 2015. In February 2018 *Mambeno* was made available as an app in the iOS Appstore and the Android version will be ready medio 2019.

The service has been extremely popular among its users which has resulted in strong customer satisfaction ratings. The model has likewise proved scalable and has been launched in an English version available in the UK.

Because of the need for storing space, *Mambeno* is not co-located with the offices of GoLittle. Instead, Mambeno is operated out of an office in Helsinge.

MAMBENO

Mambeno in numbers

4.5
Current $\frac{LTV}{CAC}$-ratio

+30,000
Followers on Facebook

9.8/10
Trustpilot rating

4.9/5
Facebook rating

#1
In May, 2018 the app was the most popular recipe app in the Danish Appstore

START-UP LINGO | *Understanding LTV/CAC*

- The LTV/CAC-ratio compares the value of a customer over their lifetime, compared to the cost of acquiring them
- LTV = Life Time Value which is the average revenue a single customer is predicted to generate over the duration of their account
- CAC = Customer Acquisition Cost which is the average expense of gaining a single customer.
- For many subscription services a LTC/CAC ratio is expected to be 3.0

Midway Case

Mambeno | Meal plans

GoLittle

Description

Mambeno's main offering is to provide meal plans and recipes that are specifically tailored towards families with young kids and busy schedules. The meal plans are offered as a subscription based service with varying price points (see below). The recipes offered in the meal plans are all made in accordance with three key principles:

- They require the users to maximum spend 35 min. in the kitchen
- All ingredients can be bought in regular supermarkets
- The menus are made with the aim of being both healthy and "child-friendly"

The meal plans are accompanied with shopping lists for the ingredients needed in the meals. In the Danish version of the app, *Mambeno* collaborates with Coop's online shopping service allowing users to directly get all their ingredients delivered to their door.

If the users follow the 5-day weekly plans, they are promised to be able to buy all the necessary ingredients to feed a family of four persons for less than 500 DKK.

Subscription prices

Monthly	Quarterly	Yearly
39 DKK	**89** DKK	**299** DKK

Meal plan examples

Week 15
Chicken quiche, mild bell pepper soup, and the tastiest pasta with spinach and crispy bacon - for two days!

Week 14
Thai-style hotdogs, easy ovenbaked meatballs, and chicken pot for two days - yum, it's gonna be a good week!

Mambeno | Online webshop

Description

Besides providing recipes and meal plans, *Mambeno* also operates a webshop from which it offers a product portfolio consisting of 14 different brands and +400 products. The products are primarily aimed towards young children. The online webshop is only available in Denmark at the moment.

The Products are sold in five different product categories, namely:

- **Lunchtime:** Lunch boxes, water bottles, snacks, etc.
- **Dinnertime**: Crockery sets, plates, cups, etc.
- **Kitchen time:** Small kitchen equipment, trays, cake forms, etc.
- **Bed and bath time:** Towels, linens, etc.
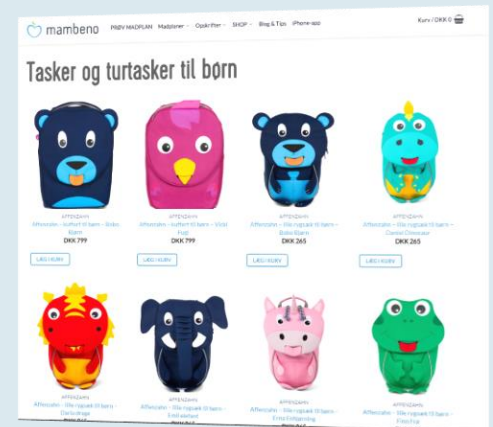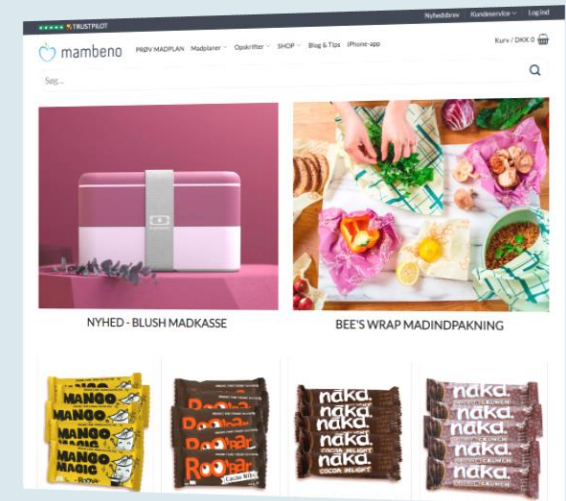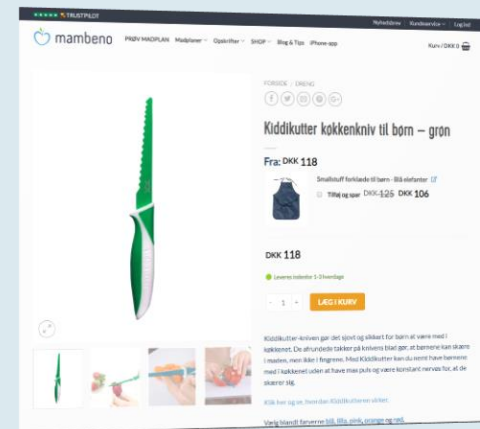- **Travel and play time:** Play mats, school bags, toilet bags, etc.

Brands

Product examples

GoLittle | Extension potential

Maternity

Playdates

Babysitting

Guide to the best places for children

Family calendar

Mealplan, recipes and webshop

Children of divorce

Meal delivery

Economy for children

Children's health

Gaming classes for parents

In the market

Potential extensions
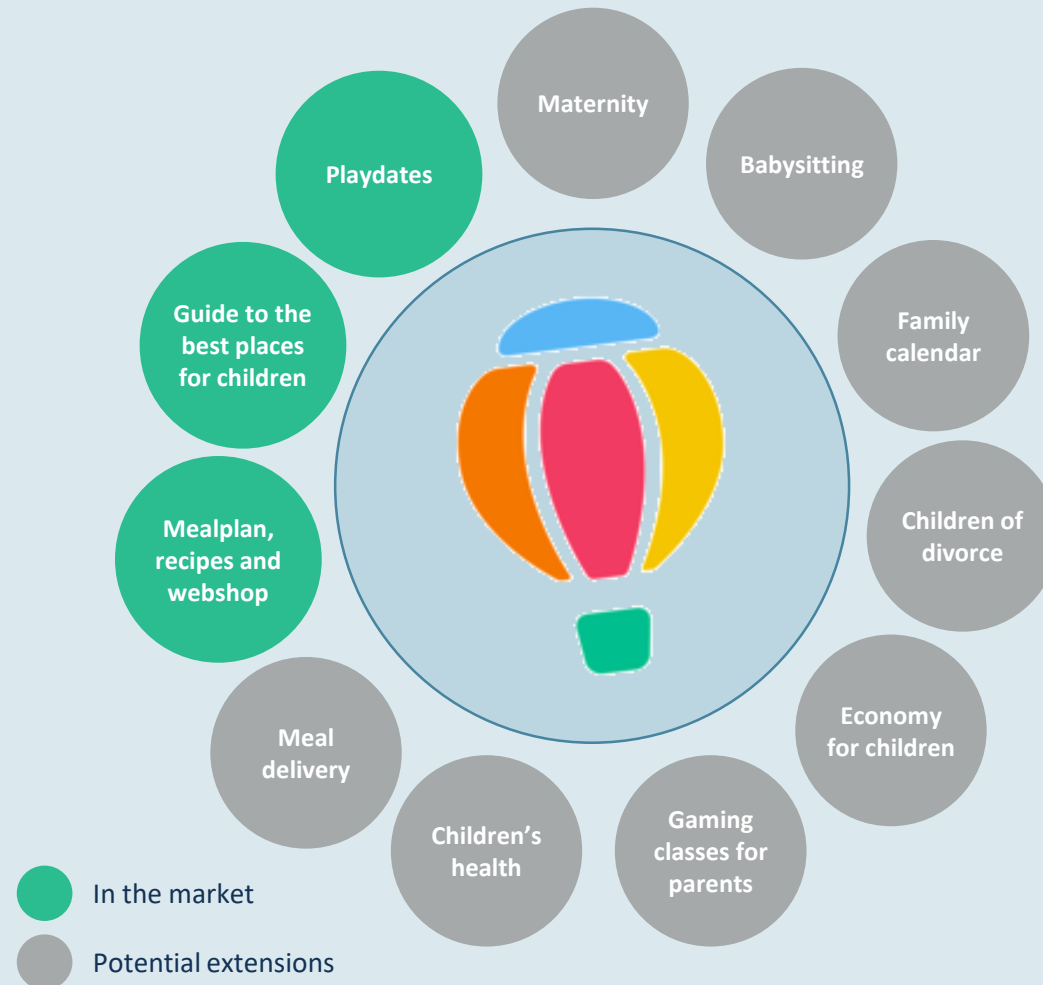
GoLittle | Competitors

BabyOut (IT)
iOS and Android
Threat level: **2/10**

Sjov for Børn (DK)
www
Threat level: **2/10**

Kid&Coe (US)
AirBnB for child families
Threat level: **2/10**

Puslely (DK)
IOS
Threat level: **2/10**

Børn I byen (DK)
www and iOS
Threat level: **6/10**

Winnie Inc (US)
iOS
Threat level: **7/10**

Valdemarsro (DK)
www
Threat level: **6/10**

Mad for fattigrøve (DK)
www and iOS
Threat level: **7/10**

Blue Apron (US)
www, iOS & Android
Threat level: **4/10**

Facebook + TripAdvisor
Indirect competition

GoLittle | Board of Directors & Investors

GoLittle - board of directors

Morten Resen

CEO and founder. Former radio- and TV-host on TV 2 through 17 years. Experience within communication, branding and marketing through social media. Owns 61.09% of GoLittle

Christian Risom

CEO in one of Denmark's leading app development companies SHAPE. SHAPE has developed apps for GoMore, Redbull, OK Gasoline and more

Marlene Landsfeldt

Co-founder and daily manager of Mambeno. Former campaign manager at TV 2 responsible for development of large, award-winning branding campaigns for TV 2's brands, channels and programmes

Frederik Lysgaard Vind

Managing Consultant and founder of LYSGAARD, HR & recruitment. Professional business angel with investments in Earlabs, Photologic & Livingroom Analytics and others

GoLittle - investors

Jesper Buch

Entrepreneur and business angel. Founder of JustEat and investor in Vivino, GoMore and others

Birgit Aaby

Founder of the cleaning business Combiservice (250 employees). Investor in TooGoodToGo and others

Shape A/S

Shape is one of Denmarks best app development companies. Shape has developed the GoLittle app

Frederik Lysgaard Vind

Professional business angel with investments in Earlabs, Photologic & Livingroom Analytics and others

Christian Nielsen

Educated lawyer and Chief Legal Officer in AirHelp. Assists GoLittle in legal matters

Jan Møbius

Former Country Manager for LinkedIn Marketing Solutions Denmark

GoLittle financials | Overview

Income Statement (DKK)	08.08.2016 - 31.12.2017[1]
Gross profit	267,099
Personnel costs	(412,876)
EBITDA	(145,777)
Depreciation & Amortization	(34,538)
EBIT	(180,315)
Other financial costs	(1,453)
Tax	0
Net income	(181,768)

Financial situation

GoLittle's financial situation has not changed much since the last annual report. The business has been growing well, but it is still burning through cash, approximately 200,000 DKK a month. Money is therefore constantly a source of concern. The company has recently secured 400,000 DKK in INNOBOOSTER funds.

Due to this situation, a solution needs to be low in cost and high in impact. Furthermore, it's important that solutions have potential both provide quick impact, but still has significant scalability potential in the long term.

Revenue streams

GoLittle earns revenue from a variety of sources, the primary source being subscriptions from Mambeno. Besides Mambeno, GoLittle enters into marketing partnerships with companies wishing to target families with children. The podcast about GoLittle also earns some revenue for GoLittle through its partnership with Danske Bank, approximately 20,0000 DKK per year.

Accolades

Featured no. 1 (Mambeno)
Apple App Store (January 2019)

Updates we love (GoLittle)
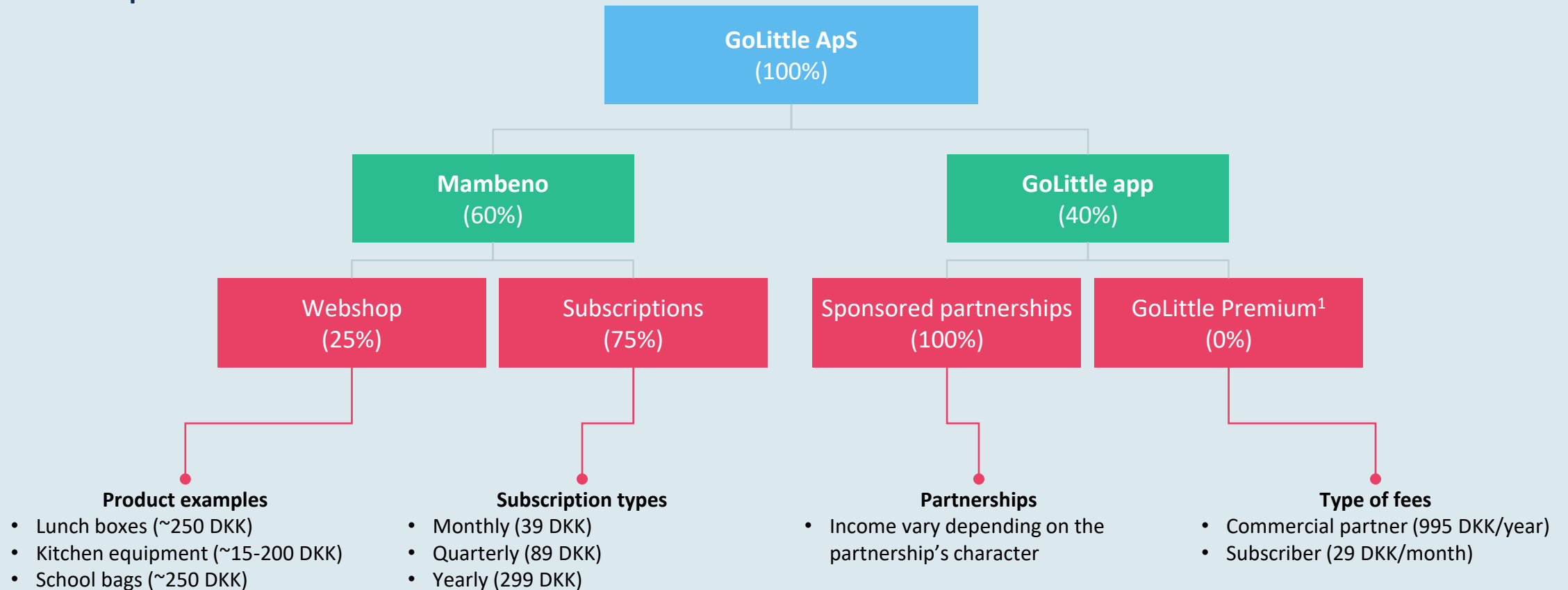Apple App Store (January 2019)

Favourite of the week (GoLittle)
Apple App Store (August 2018)

App of the Day (GoLittle)
Apple App Store (March 2018)

Note: (1) Annual report for 2018 not yet filed
Source: CVR.dk, GoLittle

Midway Case

GoLittle financials | Overview of revenue streams

Revenue split

```
                        GoLittle ApS
                          (100%)

        Mambeno                      GoLittle app
         (60%)                          (40%)

  Webshop      Subscriptions    Sponsored partnerships   GoLittle Premium¹
   (25%)          (75%)              (100%)                    (0%)
```

Product examples
- Lunch boxes (~250 DKK)
- Kitchen equipment (~15-200 DKK)
- School bags (~250 DKK)

Subscription types
- Monthly (39 DKK)
- Quarterly (89 DKK)
- Yearly (299 DKK)

Partnerships
- Income vary depending on the partnership's character

Type of fees
- Commercial partner (995 DKK/year)
- Subscriber (29 DKK/month)

Note: (1) GoLittle Premium will be launched in May 2019
Source: GoLittle, Mambeno webpage

Midway Case

15

Case Question

As a tech company impact is not only referring to financials, the number of users is an equally important metric, as this is what potential investors primarily looks at. However, investors also need to see growth in revenues to prove the company is capable of making money, GoLittle therefore needs to earn at least 1-2 million DKK in incremental revenue from your proposal to satisfy potential investors. GoLittle expects to grow its user base by 300%[1] from February 2019 to August 2019, a goal they might hit even sooner[2].

The question then is, *how can GoLittle reach its revenue goal, while at the same time extending the projected growth in its user base?*

Appendix | the GoLittle app - Playdates

Description

The first functionality introduced in the GoLittle app was *GoLittle Playdates*. The feature lets parents arrange and manages playdates with their kids friends who are also on the GoLittle app.

The feature is free of charge and enables the parents to:

- Get an easy overview of when friends are free for playdates

- Make playdates now and plan playdates in the future

- See when others are doing something fun which the families can join in on - like a trip to the playground, the beach, or flying kites

- Automatically add the kids' playdates to their phone calendar

- Get directions to the kids' playmates

- Keep track of the kids' playmates and their parents with a handy contact list

- Call and text the parents on your friends list directly from GoLittle
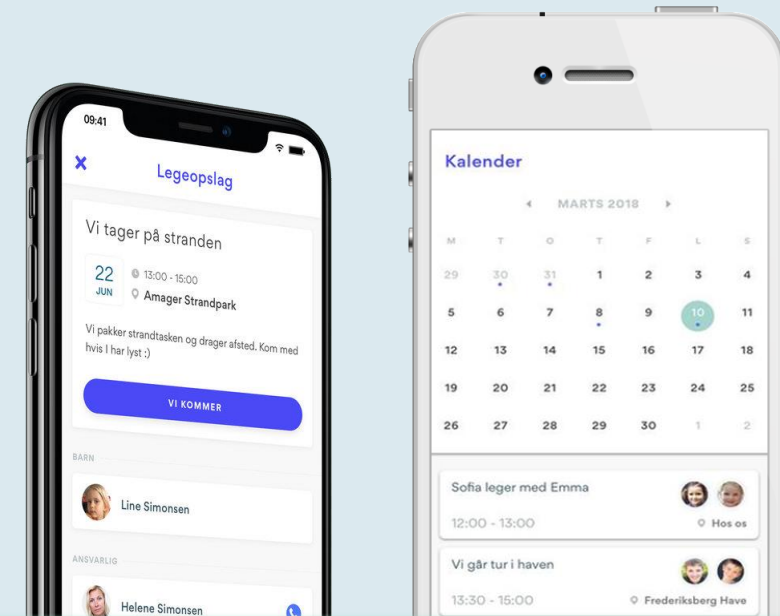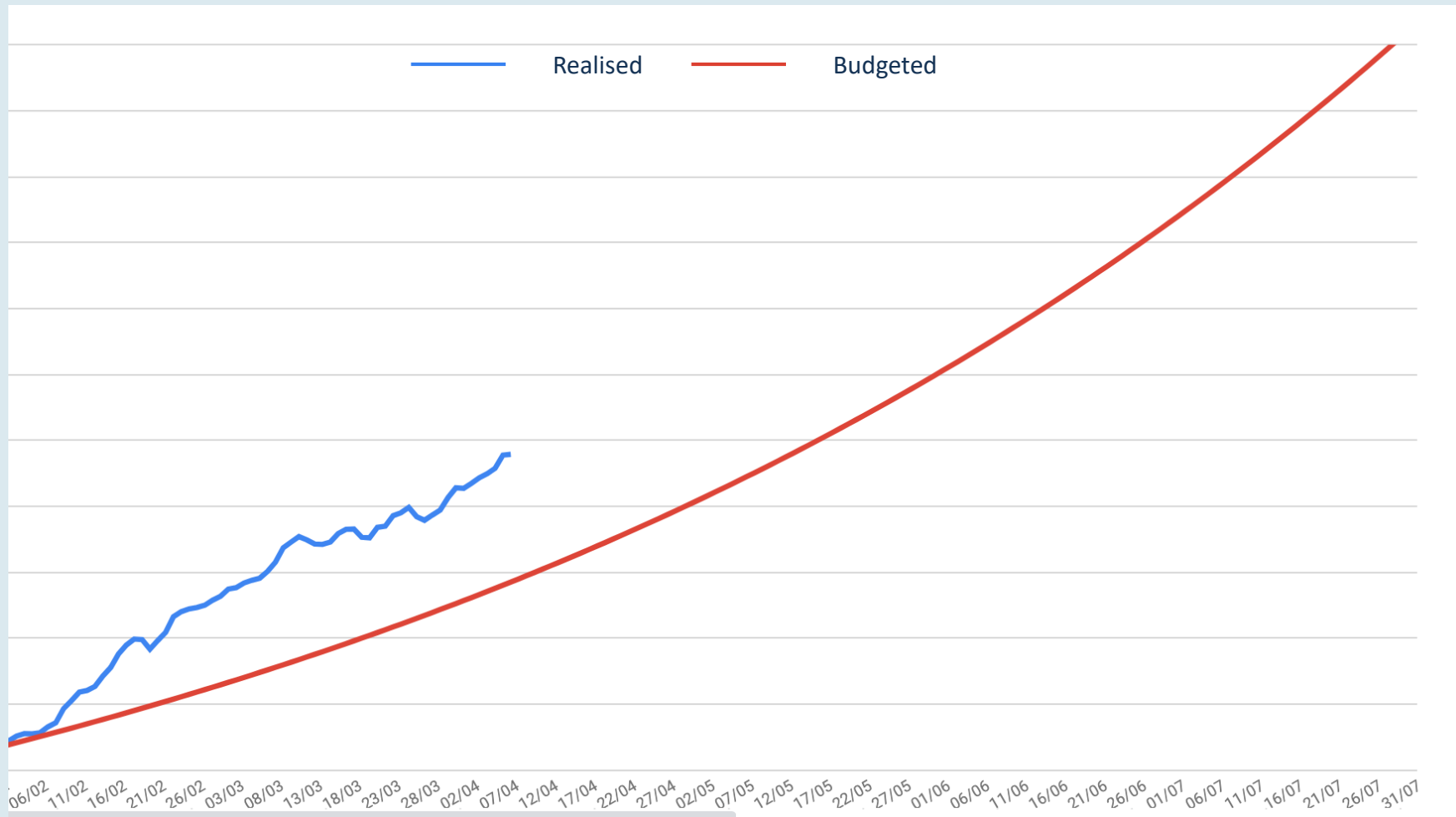
Put on hold
Playdates have currently been put on hold because of low usage, as the feature relies on the child's friends to be on it as well

GoLittle has identified a solution to this problem which should be released in the fall of 2019

APPENDIX

Appendix | Mambeno - Customer survey

GoLittle

Overview

84% of our members

save time on cooking and shopping with Mambeno's meal plans.

87% of our members

have more variety in their food when using Mambenos meal plans.

63% of our members

save money on their shopping with Mambeno's meal plans.

98% of our members

would recommend Mambeno to other families with children.

Source: Mambeno webpage