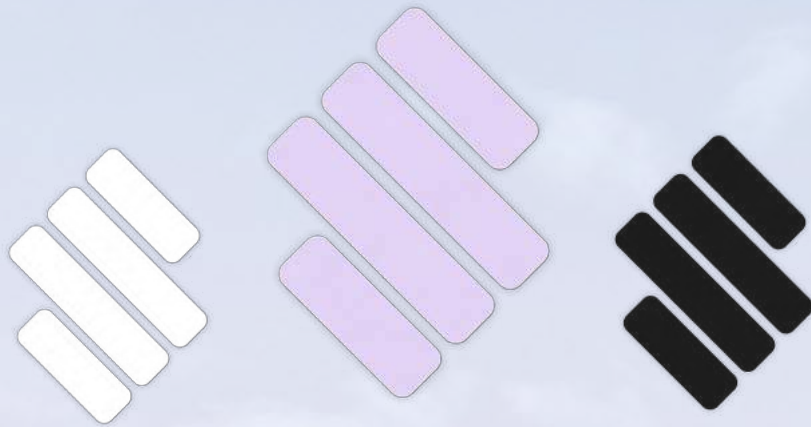


SOBB



SOBB: Bridging the Gap Between Youth and Employment

SOBB - 22/23

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Country: Sweden

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From doubt to success: SOBB's fight for a more equitable society

Taufeeq Saleh | CEO

Youth unemployment is the title of the problem we have identified. Our solution will tackle this issue. Over the course of a few months, SOBB has studied a societal problem, developed software, and sold a service that has already shown beneficial effects for society.

However, it was never a walk in the park. We doubted the business idea, completely changed our target audience, and perhaps the toughest of all, we went from a team of four to three. But the conviction to keep fighting has never been stronger than during the toughest times.

It is then that I have discovered our unique qualities and abilities, and since then, I have strived for each of us to reach our full potential. I have understood that we are very different but have also realized that it is precisely the diversity that has made us work well together and overcome various challenges. We have different experiences, backgrounds, and interests, but something that everyone at SOBB has in common is entrepreneurship, a passion for the cause, and a strong desire to contribute to a more just society.

I am proud to have led a team that managed to build software from scratch into a service that the market has long awaited. We are satisfied but know that it is only the beginning. Our app will help youth in the job market for years to come and contribute to a society where you're headed is more important than where you come from.



Vision

SOBB's vision is a society without youth unemployment.

Business idea

SOBB offers a mobile app that connects employers with young workforce.

Problem & Our solution

Problem

In the EU, a total of 16.6% of individuals aged 15-24 were unemployed in 2021, amounting to 3 million people (Eurostat). However, this is not due to a lack of job opportunities. Within the EU, there are a total of 2.3 million businesses in the tourism industry that employ 12.3 million people each year (Eurostat). However, this workforce is insufficient to meet the seasonal demands of these businesses, resulting in a shortage of 720,000 personnel annually within the tourism sector (Hotrec). Other industries, such as commerce and healthcare, also suffer from significant staff shortages, with a shortfall of nearly 1 million employees (EU). According to Hotrec, this leads to businesses having to downsize or suspend their business, resulting in negative economic consequences. Despite the fact that the tourism industry is willing to employ 30% inexperienced youth (Hotrec), employers and young people struggle to connect, causing businesses to suffer greatly and making it difficult for young individuals to enter the job market. The primary reason for this disconnect is that often, two different generations struggle to effectively communicate with each other.

Solution

Young workforce is essential for businesses to cope with the high demand during peak seasons (BambooHR) and secure their survival. Therefore, we offer young people a free app specialized in seasonal jobs, scalable across Europe. This provides a platform for employers to advertise their job openings to numerous young individuals in the vicinity simultaneously. It helps young people and employers find suitable matches and ensures the recruitment of workforce for businesses during peak seasons.

Problem

Four out of five individuals secure their jobs through personal contacts (CNBC). This creates an unequal job market where young people without connections, often from more challenging socio-economic backgrounds, face difficulties in accessing employment opportunities (The Swedish Prison and Probation Service). One consequence is that young individuals end up marginalized and drawn into criminal activities (startingpoint.org). There is a correlation between youth unemployment and crime, particularly regarding offenses like robbery and burglary (Oxford University). Consequently, governments spend significant amounts of money in each country to combat and prevent crime, with the EU countries collectively allocating over 300 billion euros for this purpose. Moreover, the EU invests 22 billion euros in initiatives targeting youth unemployment (EU).

Solution

Our app helps young people secure their first jobs, which is crucial for keeping them away from criminal circles (Harvard). We achieve this by providing a tool for employers to hire young individuals from a diverse pool, rather than solely relying on personal connections. This approach ensures that more young individuals with disadvantaged socio-economic backgrounds are employed and choose to stay away from criminal paths, despite having a smaller network of contacts. Furthermore, it allows employers to select from a more diverse workforce, which, according to a McKinsey report, provides multiple perspectives and ideas that lead to better decision-making and innovative problem-solving. As a consequence, companies with a more diverse workforce tend to be more profitable and perform better, as indicated by the report.

Sustainability

The global goals



“Promote youth employment, education and training”

The Global Goals, nr 8.6



“Reduced inequalities”

The Global Goals, nr 10

Social

To fill the app with young people and provide an accessible platform for employers to hire youths from a wide group, instead of relying solely on their own networks, we have chosen to fully target our marketing towards the youth. In addition, We have designed the app to also target youths from foreign backgrounds and those who do not have previous work experience by asking questions instead of requesting a resume and cover letter in the app. We do this to facilitate the process for youths with limited language skills while ensuring that employers receive the necessary information. As a result, several newly arrived youths to Sweden have successfully found jobs through the app, something they have found significantly more challenging through other platforms. One of these individuals is Mohammed Al-Nader, who came to Sweden in 2015. He had not found a suitable job until he saw the job advertisement from a company in our app. "I had never heard of this company before," emphasizes Mohammed. Mohammed is just one of several newcomers who have found employment through SOBB. Furthermore, he emphasizes that the smooth process of answering a few questions in the app instead of submitting a resume and personal letter was crucial for a seamless hiring process.

Environmental

Climate change is the most important societal issue for young people aged 16 to 25 (WWF). Therefore, all job advertisements include information about what companies are doing to minimize their environmental impact. We require this information to ensure that companies with ambitious environmental measures receive more applications and benefit from choosing from a larger pool of candidates. We have also taken environmental considerations into account by avoiding unnecessary features in the app and storing images in an energy-efficient manner.

Public economy

The labor market is the core of the economy in a welfare society and the economic cycle. When companies need to cancel or reduce their operations due to a shortage of personnel, it can have devastating consequences for the economy. For instance, It may lead restaurants to reduce the number of their seats and raise prices, which in turn contributes to inflation. We help companies avoid this by exposing their job advertisements to young people. They are a valuable workforce for filling the staffing gaps during the holiday season (Headspace). Additionally, young people enable companies to meet the demand even during peak seasons, thus strengthening the economic cycle with capable young workers and active businesses.

Market



Potential

**3 million
youth are
unemployed
in the EU**

**1,7 million jobs
need more
personell in the
EU**

Competitors

Why we are better

Indeed:

Indeed offers a wide range of job advertisements, from advanced full-time jobs to simple part-time jobs. As a result, Indeed fails to effectively target young people, and the employers' ad does not reach the intended audience. SOBB has instead specialized in targeting young people, ensuring that the employers' ads reach the right target group. Indeed also has highly variable quality in its ads, with significant differences in the information they contain. In contrast, we have a clear template that companies follow when writing the ad, resulting in more consistent and uniform advertisements.

TaskRabbit:

TaskRabbit is one of the world's largest companies in the gig job industry and is available in the USA and parts of Europe. TaskRabbit does not provide security for young people since it mainly offers gig jobs. These are jobs that occur on one or a few occasions and do not guarantee further work shifts. Job seekers on TaskRabbit are always on the hunt for new jobs because gig jobs do not help secure future employment (BBC). The platform has also faced criticism for offering poor working conditions and taking a significant portion of young people's wages (Business Insider). In our app, we offer longer-term positions, ranging from a few weeks to months. This provides security for young people and for companies that benefit from more regular staff. Unlike gig jobs, seasonal jobs help young people secure new jobs in the future (National Career Service).

Advertising jobs on social media:

Few small business owners successfully reach young people with their job ads on social media. In many countries, it happens that small business owners advertise their summer jobs to young people in the wrong cities via Facebook. Here, the company makes a mistake by advertising on Facebook where few young people are present and by failing to target the correct geographical location, resulting in exposure to the wrong audience. We carry out marketing more effectively for companies through our app, as their perfect target audience is gathered in the app, ready to apply directly when the ad is published. By advertising with us, business owners save time and money, and they do not need marketing expertise to attract suitable candidates.

Youth job websites:

The majority of youth job websites offer a wide range of jobs in parts of Europe, ranging from part-time jobs to internships for young people. This makes it harder for employers to reach the right target group since the user base is very broad and diverse, with young people searching for various types of jobs. On the contrary, SOBB has specialized in targeting young people, ensuring that the employers' ads reach the right target group. Many platforms also have highly variable quality in their ads, with significant differences regarding the information they contain, creating a confusing user experience. In contrast, we have a clear template that companies follow when writing the ads, making them more consistent and easier to compare with each other.

Target group & exposure



Since SOBB UF includes both job-seeking youth and engaged employers, the company's target audience is divided into two.

Employer

Business organizations:

To reach multiple companies in need of our service simultaneously, we have collaborated with business organizations in Sweden. We have presented the app at their breakfast meetings and had the opportunity to be featured in their newsletters. Additionally, we have chosen to maintain close communication with various key individuals to expand our network and reach more companies.

Active entrepreneurship:

Since we have noticed that face-to-face meetings more easily lead to sales, we have invested time in visiting different companies directly and participating in several recruitment fairs to establish contact with businesses and promote our service.

Direct contact:

We have also used LinkedIn and email to reach many employers in a short period of time. This method has rarely resulted in direct sales, but in 5% of cases, we have successfully booked sales meetings where we have almost always managed to sell advertisements in the app.



Job seeker

Schools:

To effectively reach the youth, we have focused on visiting various middle schools and high schools to provide information about the app. However, the challenge lies in some schools being hesitant to allow us to visit and inform them about the app.

Exhibitions:

Since the target audience in the greatest need of our service is present at recruitment fairs, we have chosen to exhibit there. Through face-to-face interactions, we have managed to get hundreds of young people to download the app.

Social Media:

Since TikTok is the most popular platform among young people (Forbes), we advertise there. It has yielded excellent results. Our advertising campaigns have approximately 1,000,000 views, and the Cost Per Click (CPC) is around 1.1 SEK compared to the average of 10 SEK. However, we have noticed that more males click on our ads than females. To balance the gender gap, we have created an ad campaign, which specifically targeted females. Through this campaign, we have managed to attract more females to our ad campaigns, resulting in a more balanced distribution of users between genders.

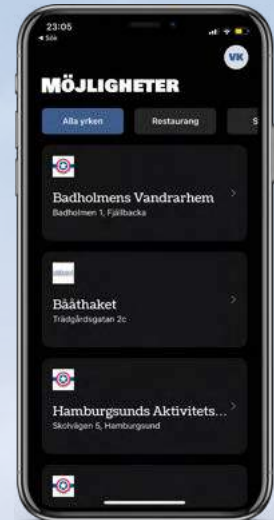
Our service



The Job Seeker

The app is crucial for young people's experience in the application process and at the workplace. Therefore, we always ensure that employers advertising with us can guarantee good working conditions for the youth.

Since young individuals want everything to be fast and smooth (Forbes), we have focused on that aspect in the app. For example, we have chosen for youth to answer questions in the application process, which is much quicker than a traditional application where a CV and cover letter need to be written. Many of our users are seeking their first job through SOBB, and in such cases, a CV does not add much value. Instead, the questions that the company selects are more important for understanding the individual's character and attitude.



We have also built the app in a way that reduces the risk of crashes to almost 100%. We do this to build trust with the youth in the app and ensure they stay for years to come. It also strengthens our reputation and allows the app to spread by itself due to its good reputation.

The Employer

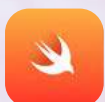
Lack of time is the primary concern for companies (Novus). This is another reason why we have questions instead of CVs and cover letters in the app. The questions enable companies to save a significant amount of time by not having to read through CVs and cover letters, and instead receive only the information they request. Additionally, companies save many hours by not having to advertise their job postings themselves. By ensuring that the app attracts young people, we provide a platform that effectively reaches their target audience.

We also assist companies in creating their ads by providing feedback on the texts they have written. We do this to make the ads appealing to young people and in turn, generate more applications for the companies.



Development

The development of the app consisted of three stages: determining the features, design, and programming. We also modify the app based on user feedback, which always takes precedence. After stripping away numerous features to launch the app as early as possible and designing all parts of the app in dozens of versions to achieve a smooth UI, we feel proud but not finished with the app. There are always adjustments to be made based on user requests and feedback, and we have several future features that will be implemented in the app, but more about those will be discussed later in the report. To ensure the quality of new updates before publishing them on the App Store, we have a close collaboration with a group of beta testers who carefully test and assure the quality of new updates.



The app is developed in **Swift** and is available on the **App Store**.



Economy

Business Model and Pricing

70% of young people between 18-24 years old are unwilling to pay for an app due to the increased availability of free apps (Forbes). Therefore, it has been obvious for us to have the app available for free to reach as many young people as possible. Our business model is based on companies paying per advertisement in the app. We have decided to charge a lump sum per ad instead of a subscription service. This approach allows us to avoid integrating additional solutions into our systems and provides a fixed cost that is easier for both us and the customer to estimate. We have calculated the price by researching the industry to understand how much our service is worth. According to a report by Adecco, companies spend an average of 2,500 SEK on recruiting seasonal workers. Based on our marketing plan, our forecasts indicate that each company receives 15 applications per ad and that one-third of the applicants are hired, which has been confirmed by our results so far. This translates to a value of 12,500 SEK and enables companies to save 7,500 SEK by advertising with us. We aim to provide a greater variety for young people in the app and have therefore chosen to offer volume discounts to encourage companies to purchase multiple ads.

1 Ad
5000 SEK

2 Ads
7500 SEK

3 Ads
9000 SEK

Sustainable Business Economics

The app has been developed within the company by us at no cost, which has resulted in only minimal fixed expenses for the company. This indicates that the operating margin increases as we generate more revenue. Additionally, working with software allows us to always meet the demand, unlike a product that needs to be stored in inventory. A combination of these factors ensures a sustainable economy within the company. Looking ahead, as we are a limited liability company, our business will be year-round as we will include seasonal jobs in the ski resorts during the winter months. This secures year-round income and ensures a sustainable business economy even as our development costs increase and we need to take out salaries.

Current Economic Situation

*Refers to period
2022-09-01 to 2023-06-09*

Earnings report

Revenue	
Ads	49 000 SEK
Prize money	4 500 SEK
Total revenue	53 500 SEK
Costs	
Developer account	999 SEK
Marketing	9329 SEK
Total costs	10328 SEK
The years result	43 172 SEK

Balance report

Assets	
Fixed assets	
Fixed assets	0 SEK
Current assets	
Cash at bank	44 172 SEK
Total assets	44 172 SEK
Equities & Liabilities	
Equities	
Venture capital	1000 SEK
Profit for the period	43 172 SEK
Liabilities	
Liabilities	0 SEK
Total equities & liabilities	44 172 SEK

Activities & Goals



Goals

50 youth

will be employed through the app

100 000 sek

in revenue during the JA-year

5 000 users

will be using the app by the end of the JA year.

Justice

A job market where competence & qualifications determine whether you get a job

Limited Company

create conditions for transitioning to a limited liability company.

Timeline

September

The needs analysis began and SOBB was founded

October

The app development started
Our target audience shifted.

November

The first beta version
The first customer

December

A large store in our region becomes our customer

January

The app is approved for the App Store

February

1000+ users in the app
Ranked 6th on the App Store in the Business category

March

1:a i Årets Tjänst i Göteborg
3:a i Årets UF-företag i Göteborg
3:a i Årets Socialt Hållbara i Göteborg
2000+ users in the app

April

110+ job applications have been submitted through the app.
The app has generated 13 employees

May

Winner of JA Sweden

SOBB TODAY

June

Receive feedback from our customers and evaluate the year
Preparations for JA Europe

July

SOBB Inc. founded

August

We work full-time on SOBB
Sales at ski resorts are initiated.
One million SEK is generated from venture capital



Lessons Learned



It has been a long journey from idea to a complete app. We have been like sailors on a stormy sea, but now we have finally started to see land and are looking out over future continents that we will conquer.

The first obstacle we encountered was in November. The projected completion date for the app was far in the future, and we needed to start selling to enter the market before the summer recruitment season began. Initially, we believed that municipalities would be interested in purchasing the service for companies to more easily meet job-seeking youth and stimulate local growth. We were completely wrong. After contacting municipalities, we understood that current competition laws prevented them from making purchases on behalf of companies. We were devastated and thought that months of app development and dozens of meetings had gone to waste. However, we realized that in order to reach our goals and fulfill the social impact we had promised ourselves, we needed to pivot and change our business model. After a few conversations with entrepreneurs, we realized that they could be our direct customers instead of relying on municipalities as intermediaries, which shifted our target audience. Even though we did not yet have a finished product, we managed to get two companies interested in our offer, and sales started long before the app was published. This increased our confidence as salespeople and made us realize that a finished product is not necessary to acquire customers.

When we started invoicing our first customers, we had to educate ourselves on tax issues related to digital products, as they often fall within a gray area. We had several discussions with advisors and mentors and eventually contacted the Swedish Tax Agency to obtain clear guidance on how to comply with tax regulations.

We moved towards publishing the app three months earlier than our initial prediction, which further motivated us to continue working. Prior to publication, it was important for us to understand how to handle personal data that we gained access to through user accounts. To do this correctly, we chose to collaborate with a lawyer who helped us write terms of service and a privacy policy that users need to agree on in order to use the app. He also assisted us in drafting a data processing agreement that companies must approve before publishing their job advertisements. This ensures that they handle the personal data they receive through applications in a responsible manner.

After our success at the regional fair, we received the sad news that our developer had decided to leave the JA company. Unfortunately, the increased stress became too much for him and he couldn't continue. We immediately realized the severity of the situation and decided to discuss our well-being and stress levels at each weekly meeting to avoid a similar situation in the future. This routine has helped us communicate better and feel more secure with each other. The fact that we had an app with a few thousand users without knowledge of how to manage the servers was a daunting realization. Our perseverance and belief that we can solve any problem, no matter how difficult, had become ingrained by that point. We picked ourselves up and started learning how to handle the information and database in the app. From this experience, we have significantly developed our ability to collaborate and we realized the importance of regularly discussing our well-being, even though there are other things that are much more enjoyable. Currently, we have a collaboration with several developers who are helping us with the app's development free of charge. After the JA phase, one of them will become a co-owner to keep development costs as low as possible and ensure a sustainable business economy in the future.

Future & Organization



Future

With a vision for an equal job market even in smaller towns, SOBB will expand its operations as a limited company this fall. Through our talks with businesses, we have identified a need for an app, not just for summer jobs but for all seasonal jobs in locations throughout Europe. After the JA-year ends, the focus will be on finalizing discussions with our investment stakeholders. The goal is to raise capital to work with the business full time after graduation. This will enable us to capture significant market share and be the leading platform for youth jobs in Sweden by next year and five years later to be established in the Nordic countries, Germany, and France.

We will achieve this by scaling up our marketing with the help of our new investors so that we reach businesses and young people throughout Sweden. We have also initiated cooperation with partners that allow us to reach more than a thousand employers in Sweden. If we manage to convert 10% of the employers we will be exposed to, we anticipate a turnover of 1,000,000 SEK as early as next year but most importantly, make thousands of jobs available to young people throughout Sweden. Thereafter, we will begin our international scaling and be present in all holiday resorts in the Nordic countries and parts of Europe. Our app should be a portal where jobs are advertised to young people throughout Europe so that, for example, young people in countries with fewer jobs but many youths can find work in countries with a large supply of jobs. For instance, a youth in Romania should be able to find a job in France via SOBB, and in this way, our app helps businesses with a high need for staff and young people who have fewer jobs in their vicinity.

Organization & Advisor

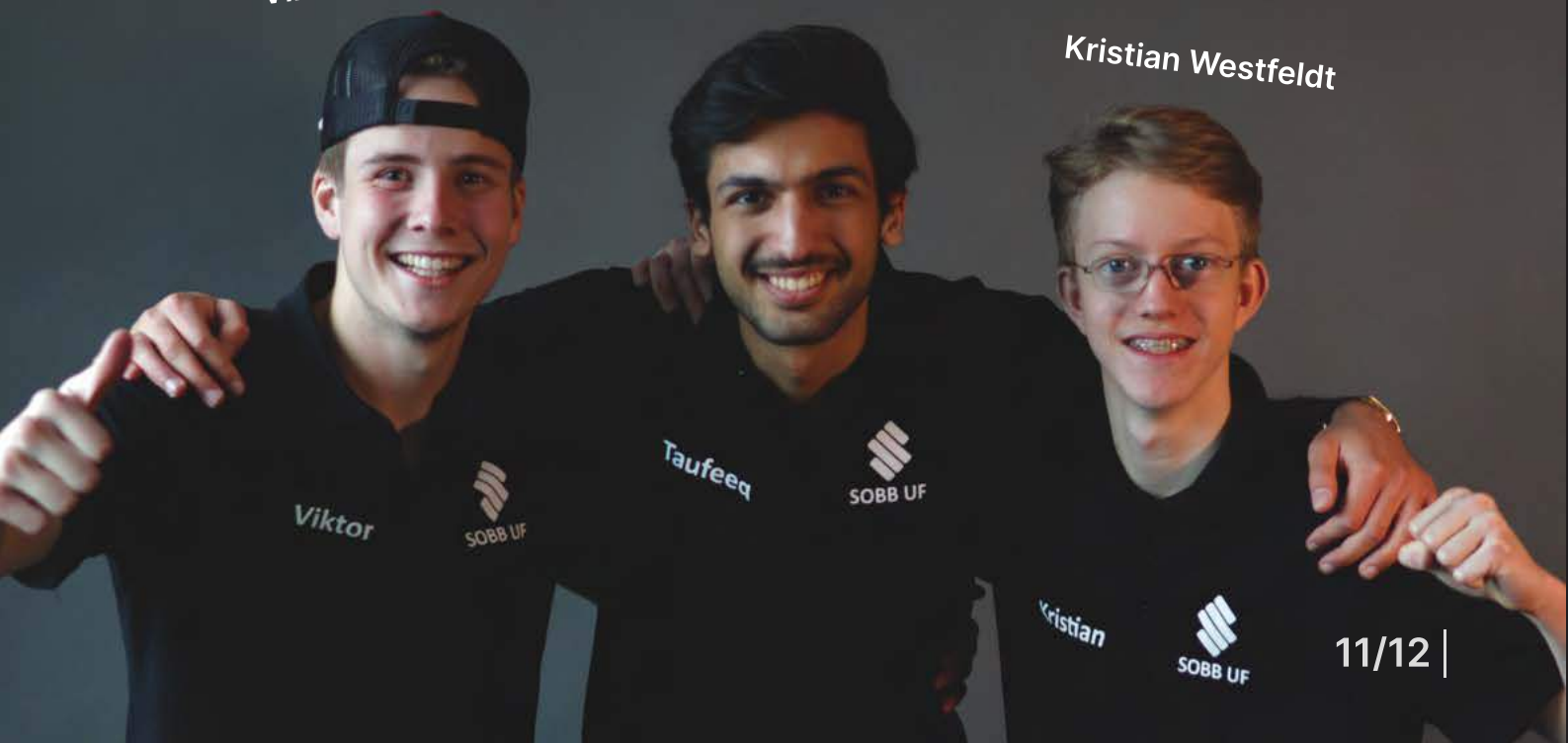
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Finally, we would like to thank our affiliated employers!

TanumStrand
BY THE SEA



båathaket



**TANUMS
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Orust
kommun

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Scandic
LAHOLMEN

Viktor Karlsson
CMO

Taufeeq Saleh
CEO

Kristian Westfeldt
CFO

Auditor
Claus Dreyer

Gothenburg, Sweden
11 June 2023