



XENOVA DIGITAL

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Business Plan, Explanation, and Execution
August 2013 - July 2016

Who Am I?



I am Kyle Michel, the former CEO, Founder, and sole employee of Xenova Digital. Prior to diving into intricate details regarding this business, I find it necessary to convey my background, interests, and qualifications to take part in this business. My interest is rooted in technology; technology represents the enduring change of society and knowledge, and with enduring change comes transformation in methods of delivering content to consumers. YouTube served as the foundation of my technological interest in early years. To me, it stood for an open-ended platform where every user had the ability to share their knowledge, experiences, and beliefs with society through a highly intimate medium: video. This method of sharing was previously only available to TV channels, which boxed in creators and represented a very small percentage of truly creative individuals, overshadowed by an increasing percentage of large corporations. As a child, I bought into YouTube's culture and vision for an open platform with a virtually unlimited audience; I endlessly watched videos, some personal, some formal, some obscure, but all educational in one way or another.

In late 2012, as I was in 8th grade, I stopped spectating and started involving myself. I began uploading technology related videos to my own channel, "KTechsTV," with content ranging from Windows 8 tutorials to iOS secrets. Soon, my most popular videos gained hundreds, thousands, and eventually hundreds of thousands of views. Today, these videos have nearly 2 million views total. Inevitably, I became curious regarding the process of monetizing these videos, and eventually signed with a UK based YouTube network. This company provided me with curated advertisements on my videos, in exchange for 40% of my revenue. Soon, checks starting coming in monthly, and I continued to challenge myself to learn more; I strictly remember thinking to myself that making videos was a great outlet for my creativity, but I wanted to climb further up the YouTube hierarchy. Instead of settling for the bottom of the pyramid, I researched how to climb up a level and become a YouTube network myself. That way, I would earn a percentage of earnings off multiple channels' videos, like the UK based company had done with my channel.

Low and behold, I invented a name, brand, and website, and contacted several larger YouTube networks looking for a company that would give an ambitious, inspired teenager a shot in the real world. Thankfully, another UK based company called Creative Nation, Ltd. replied and agreed to give me the ability to start my own YouTube network in exchange for a small percentage of my partners' earnings. I took the opportunity and ran with it; I networked with other executives in the field and learned all that I could. I taught myself web design, graphic design, and marketing. Throughout the course of three years, I matured Xenova Digital until the company's end in July 2016.

What is Xenova Digital?



Xenova Digital was a Proprietary YouTube Network. As a whole, the company searched for YouTube channels that would fit the culture and standard of excellence that Xenova upheld. Xenova would then partner with these channels, signing a mutual contract that, in short, ensured that Xenova served curated video and display advertisements on the channel's YouTube videos as well as provided channels with tools to mature their content. In exchange, channels would pay a small percentage of their earnings for these services. In addition, Xenova would provide partnered channels with YouTube support (as YouTube had no public method of

contacting support representatives), product placements, graphic design and branding services, as well as general advice and market trends that would allow channel owners to take advantage of their content to reach the largest audience possible.

Presence



Due to the nature of the company, it was imperative that Xenova had a crisp, modern, youthful online presence. Here are some elements of the company's branding and website, all designed and developed by me:

Xenova Logo:



Xenova Motto:

Likeminded Creators Unite

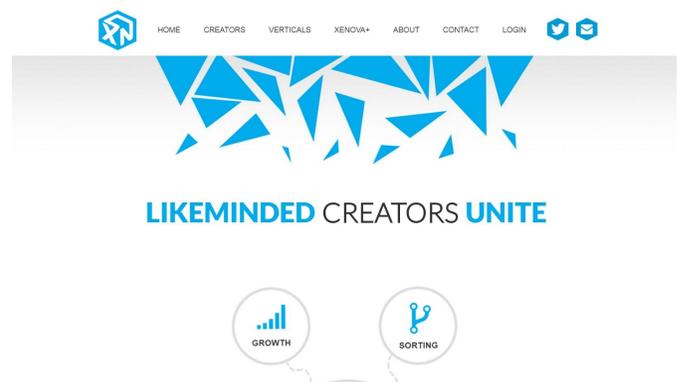
Xenova Website (www.xenova.tv):

Here are various screenshots from the Xenova Digital website:

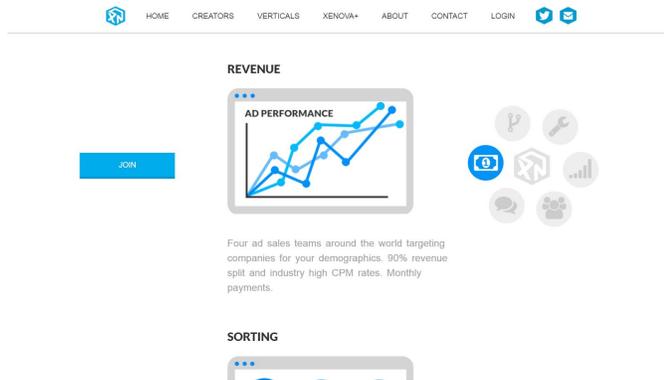
Homepage



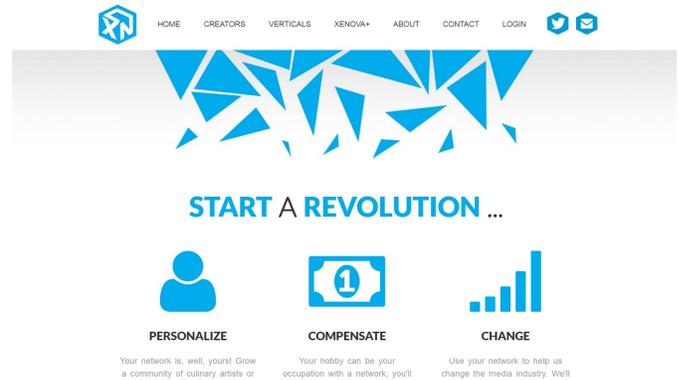
Creators Page



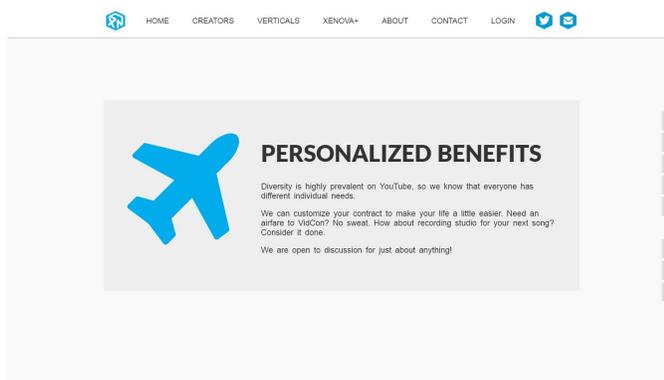
Creators Page



Verticals Page



Xenova+ Page



About Page



My Role



As CEO, Founder, and the sole employee of Xenova Digital, I did it all. I pioneered marketing campaigns, designed and maintained websites and web apps pertaining to the company, managed social media efforts, established relationships with market veterans and partner companies, dealt with finances, directly negotiated contracts with higher level prospects, served as the only direct support representative for channels, and created content (videos and emails) that delivered relevant news and information to partners. Quite honestly, developing and sustaining this company was a handful. It required endless nights of replying to emails, searching for prospective partners, creating new tools and methods that maintained the company's competitive edge, and teaching myself how to present myself professionally and in a superior manner to seasoned professionals with degrees and experience. The company never reached a point at which it was necessary for me to hire employees to continue operations, as I was fortunate enough to have the ability to do most of the work myself.

Market



Xenova Digital was clearly not the first of its kind. In fact, it was part of an overly-saturated, mostly under-experienced field of companies looking to make a quick dollar off of YouTube. It seemed as if every week, a new company popped up with a not-so-original name and offering. Nearly every existing YouTube network had a weakness, whether it was unresponsive support, company executives that were unfamiliar with the dynamic YouTube culture, or the most common: extremely aggressive revenue cuts between the network and the network's partners. Before I started the company, I knew of this disparity within the YouTube network field, and further, I knew if I wanted to succeed, I had to present Xenova differently. And I did.

Mission



I believed, and still do, that creators deserve as much of their own earnings as possible. It is not easy to be a YouTube channel owner, to constantly have to innovate and improvise to maintain an audience of variably interested viewers, to spend long nights editing, remaking, and perfecting content, and on top of this, to give away up to 50% of your earnings at the end of the day. As previously mentioned, I had been in that position before, and discouraging is the best word to represent the feeling of knowing that 40% of the earnings from your content would be taken out of your check each month.

This experience allowed me to decide on a vision for Xenova, a relatively small revenue split representing a facet that I would not compromise on while I searched for a company that would let me have my own YouTube network. I knew that no matter what, my partners would need to have a competitive revenue share, a support staff that would always be present to answer questions, and the best environment possible to lead the innovation of YouTube content, all features that were rare in the field at the time. I took advantage of this lack of quality and presented Xenova as a premium YouTube network experience.

Values



These are values that I personally committed to uphold throughout the course of the company:

- High revenue share with partners
- Responsive support
- Appropriate content
- Quality content
- Channels with potential to grow

By personally implementing these values into my company, I hoped that I would have a ripple effect on the hundreds of other YouTube networks that had been offering channels embarrassing contracts and service for years; this was my way of truly inducing innovation within the YouTube networking field.

Market Differentiation



- Xenova Digital offered YouTube partners the opportunity to earn 90% of their net revenue (“net” because YouTube already took 55% of gross revenue from every single channel on YouTube). 90%, at the time, was unheard of, and served as Xenova’s primary differentiator. On top of this, larger channels (200,000+ subscribers) were offered even higher revenue shares (up to 100%).
- The company also offered Skype support to partners, a personal and expedited means of asking questions and getting answers. Instead of submitting emails and getting responses days later, most partners would get personal responses within several hours.
- Xenova provided partners with an online dashboard that offered insight into channel statistics, a database of information and frequent issues/questions, hundreds of royalty-free songs and images to use in videos and thumbnails, the ability to establish relationships with advertisers for product placements, statistics regarding insight into channel earnings and how certain videos were performing, and the ability to find other Xenova channels to collaborate with (a win-win situation for exposure)
- A clean, organized, and youthful online presence that appealed to a new generation of creators that existing networks failed to cater to

Target Customer



While the majority of existing YouTube networks insisted that channels that applied to their networks had a high daily view count before they were even considered for partnership, Xenova thought differently. I believed that all active YouTube channels were entitled to the opportunity to be partnered, so channels that applied to Xenova were only required to have 33 daily views, a number so low that it basically ensured that applying channels were active. All channels, no matter their size, would still receive a minimum 90% revenue share. Because of this, Xenova was able to target not only large, established channels, but also small, developing channels with potential to grow. Across this spectrum of large and small channels, the 90% revenue share was still competitive and even unheard of. Further, Xenova targeted both English and Spanish speaking channels, and ultimately, accepted partnership to channels that demonstrated an ability to create original, quality content.

On top of this, target customers were generally between the ages of 15 and 35, both male and female (although partners were more often male, consistent with male/female percentages of YouTube users and viewers), and resided in the United States, Canada, the UK, and Brazil. These demographics represent the cultures in which YouTube was and is popular.

Marketing Message



In finding prospective channels to partner with, I tried to focus on Xenova’s differentiators: the high revenue share, top-notch support, and a dashboard to truly gain insight and ultimately grow channels. Additionally, I presented Xenova as a premium YouTube experience, which sparked a feeling of exclusivity

Marketing Strategies



At the time, existing networks often reached potential partners through mass-marketed emails and messages that looked and sounded like scams. Again, I knew I had to innovate in this area to succeed.

- Xenova's flagship marketing tactic was to find a prospective channel, watch a few videos to learn about the channel and channel owner, discover different methods of contact (YouTube message, business email, personal email, and social media), and contact channel owners, making clear that I was personally and intently addressing the channel, and that I knew more about the channel than its name. I would then briefly lay out how Xenova would personally benefit the various channels, often providing custom income increase estimates
- Earnings were reinvested into Google AdWord campaigns
- Prospects were also contacted through YouTube forums, where channels would talk about their content and growth
- Ultimately, the marketing goal (which was realized) was to generate organic word of mouth leads, which spoke to the reputation and high revenue share that Xenova offered
- Often, after a reply from a large prospective channel, I would personally schedule a Skype call with channels to answer questions and extend a personal invitation to join Xenova

Challenges



Starting a company as a freshman in high school was, to say the least, difficult. However, I didn't find the technical skills (marketing, design, coding, networking) difficult to master. My age is what provided the largest hurdle. I did not lie to prospects or other companies when asked my age, and after telling my age, conversations sometimes immediately ended. People were unable to see past the fact that I was a young teenager; they figured I did not know what I was doing, that I was young and naive, and that I was irresponsible. Past that, starting a company while going to school full time, not to mention the burden of extracurricular activities and sports, required massive dedication. Often, I could be found responding to a partner's Skype question during math class, or cataloging prospective channels five hours before I had to wake up the next day for school. Despite these hurdles, I was able to create a lucrative company that opened countless opportunities.

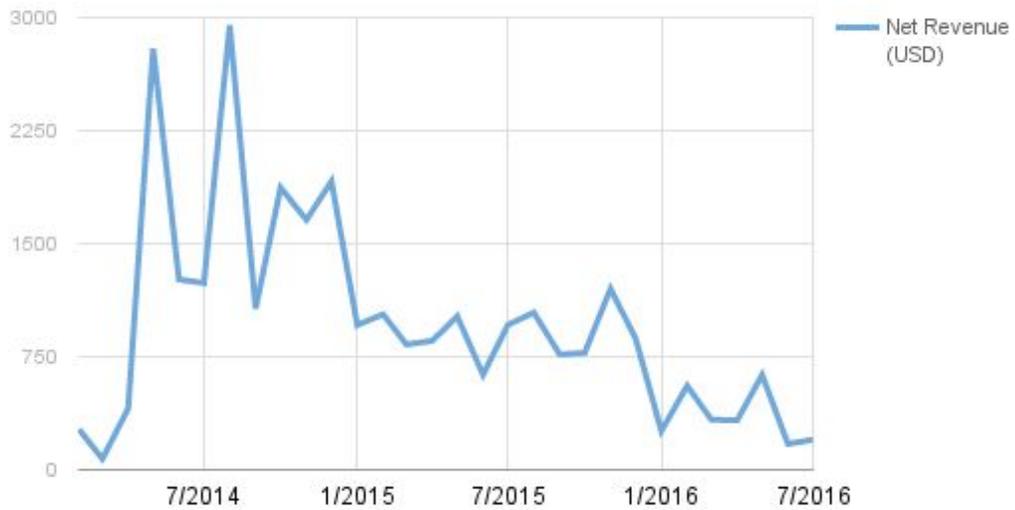
Prominent Competitors



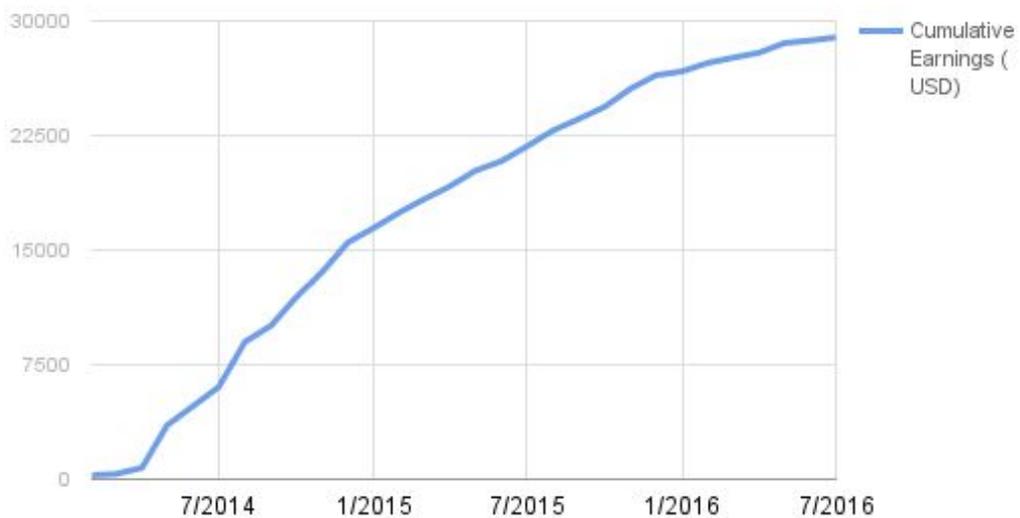
- Fullscreen
- BroadbandTV
- Curse
- Freedom!
- Machinima
- Maker Studios
- Zoomin.TV



Below is a graph with Xenova's monthly earnings, starting in February 2014 (although I began the company in 2013, it was not profitable until February 2014):



Below is a graph of Xenova's cumulative earnings, totaling **\$28,921.15**:



Views & Partners



Unfortunately, when Xenova Digital stopped operating(see "Reflection"), I lost access to historical view statistics for the three years in which the company was operating.

However, it is worth noting that at peak, Xenova Digital partnered with more than 300 channels, ranging from gaming, to beauty, to technology genres, with a total monthly view count of over 35,000,000. On average, partners under Xenova would generate between 25,000,000 and 30,000,000 total views monthly, a number that obviously started low and grew as I reached out to more prospective channels (and more reached out to me).

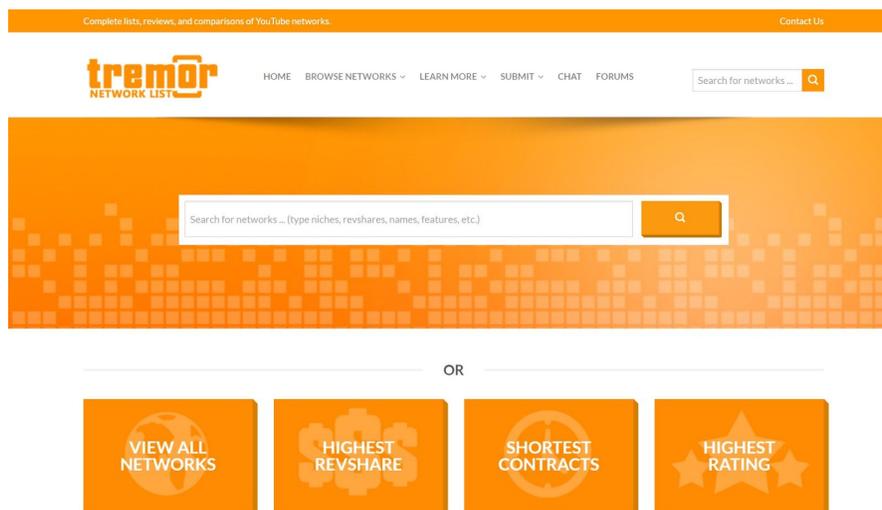
Prominent Channels (were partnered with Xenova):

- [TechSmartt](#)
 - Grew from 250,000 to 800,000 subscribers while partnered
- [BlankTV](#)
 - Grew from 400,000 to 600,000 subscribers while partnered
- [JogaSamuca](#)
 - Grew from 60,000 to 200,000 subscribers while partnered

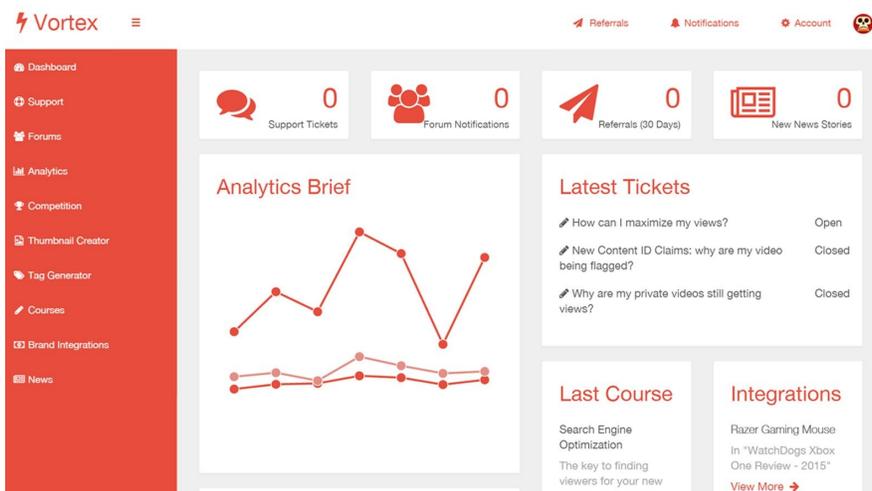
Additional Endeavors



Throughout the course of the company, my interest in Xenova and the YouTube network field in general prompted me to work on similar side projects. In 2014, I released Tremor, a website that would allow YouTube channels to find the right YouTube network to join based on their channel size, genre, and the qualities they were looking for in a network. At peak, Tremor had over 1,000 visitors per month (pictured below).



Additionally, In 2015, I spent the summer developing Vortex, which would serve as a no-contract, monthly fee YouTube network (pictured below). Essentially, YouTube channels would be able receive all the benefits of being partnered with a network without giving away a percentage of their monthly earnings, and instead paying a much cheaper monthly subscription. Unfortunately, development of Vortex was nearing completion when YouTube policy changed in 2016 and voided the company.



Reflection



Unfortunately, in early 2016, I was sent an email with a notice that YouTube policy had changed, voiding Xenova Digital and similar YouTube networks. Xenova would be permitted to earn a severance pay of 4 months, and at the end of those 4 months, all partners under Xenova's domain would be transferred to the YouTube Partner Program.

This is not to say that the years of work were in vain. Having the opportunity to start and develop Xenova Digital was one of the greatest lessons I've had the pleasure of learning. Xenova taught me marketing, web design, graphic design, finance, social media presence, and confirmed my passion for entrepreneurship and innovation. Frankly, Xenova provided me with money to live off of, the buy my first car, and to save for college. It stood as an enduring cesspool of creativity for me, and it gave me the opportunity to truly innovate within the YouTube network field. After Xenova was established and gained a reputation, I began to see networks with similar values materialize; rather than being upset about my competition, I was proud to have made such a drastic impact on the industry.