

EINO KIVISAARI

## Digital Consept Design Project 2004

– projektikurssin liiketoimintasuunnitelmien tulosten  
arviointi ja kooste



TURUN AMMATTIKORKEAKOULU  
ÅBO YRKESHÖGSKOLA



## **TURUN AMMATTIKORKEAKOULUN PUHEENVUOROJA 22**

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# 1 ESIPUHE

Turun ammattikorkeakoulun järjestämän *Digital Concept Design Project 2004* -projektikurssin tuloksena syntyi kuusi kappaletta liiketoimintasuunnitelmia. Suunnitelmat tehtiin ryhmitöinä syksyn 2004 aikana. Ryhmiin kuului kolmesta viiteen jäsentä, ja kaikkiaan liiketoimintasuunnitelmien tekoon osallistui 22 opiskelijaa.

Sain keväällä 2005 tehtäväkseni laatia kurssin tuloksista laatuarvioinnin Turun ammattikorkeakoulun toimeksiannosta. Esittelen projektikurssin tulokset ja laatimani arvioinnin tässä raportissa. Aluksi esitän yhteenvedon kurssin kokonaistuloksista ja liiketoimintasuunnitelmien arvioinnissa käyttämäni perusteet. Jäljempänä on tarkemmat arvioinnit kustakin liiketoimintasuunnitelmasta.

Kurssin tuloksena syntyneet liiketoimintasuunnitelmat on liitetty kokonaisuudessaan tämän julkaisun loppuun.

Espoossa 17.8.2005

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ICT Business Consultant (M.Sc.)

## 2 ARVIOINNIN TAUSTAA

Projektikurssin tuloksena syntyneitä liiketoimintasuunnitelmia on arvioitu yleisiä hyväksi havaittuja käytäntöjä sekä yritysstrategian ja liiketoiminnan opetuksessa käytettyjä malleja vasten. Vertaisarviointia muissa oppilaitoksissa tai muilla kursseilla tehtyihin liiketoimintasuunnitelmiin ei käytettävissä olevien resurssien puitteissa voitu tehdä, mutta tulevaisuudessa vastaavien arviointien tulosten luotettavuutta voisi parantaa tekemällä vertailuja muissa ammattikorkeakouluissa, korkeakouluissa tai muissa oppilaitoksissa tehtyihin vastaaviin projektitöihin.

Liiketoimintasuunnitelmat arvioitiin ainoastaan kirjallisen suunnitelman perusteella, toisin sanoen arvioija ei ollut läsnä projektikurssin tulosten esittelytilaisuuksissa.

Varsinaisen arviointimallin laatimisessa lähdeaineistona ovat olleet seuraavat teoria- ja oppikirjat, joista osa on käytössä mm. Teknillisen korkeakoulun (Otanemi) tuotantotalouden osaston opetuksessa.

Abrams, Rhonda M.: *The Successful Business Plan: Secrets & Strategies*  
Grants Pass (OR), Oasis, 1991

Gumpert, David E.: *How to Really Create a Successful Business Plan :  
Featuring the Business Plans of Pizza Hut, Software Publishing Corp,  
Celestial Seasonings, People Express, Ben & Jerry's*  
Boston (MA), 1994

Mancuso, Joseph R.: *How to Prepare and Present a Business Plan*  
New York (NY), Prentice Hall, 1983

Eric S. Siegel et al.: *The Ernst & Young Business Plan Guide*  
New York (NY), Wiley, 1993

Pinson, Linda & Jinnett, Jerry: *Anatomy of a Business Plan*  
Fullerton, (CA) : Out of Your Mind and Into the Marketplace, 1987

## **3 LIIKETOIMINTASUUNNITELMIEN ARVIOINTI-KEHIKKO**

Turun ammattikorkeakoulun järjestämän *Digital Concept Design Project 2004* -projektikurssin tuloksena syntyneet kuusi liiketoimintasuunnitelmaa on arvioitu sen mukaan, kuinka kattavasti, ja laadukkaasti suunnitelmissa on toteutettu seuraavat vaatimukset sekä kuinka huolellisesti ja realistisesti suunnitelmien eri osat on laadittu. On huomattava, että tämä arviointikehikko on laadittu projektikurssin päätyttyä, opiskelijoilla ei siis ole ollut mahdollisuutta peilata omaa työskentelyään ja saavutettuja lopputuloksia näihin arviointiperusteisiin.

### **3.1 Sisältö, suunnitelman rakenneosat**

Liiketoimintasuunnitelmien rakenteen mallina toimi seuraava jaottelu (Ernst & Young). Jaottelu on esitetty tässä englanniksi, joka oli myös laadittujen liiketoimintasuunnitelmien kieli.

- 1. Table of Contents**
- 2. Executive Summary**
- 3. General Company Description**
- 4. Products and Services**
- 5. Marketing Plan**
- 6. Operational Plan**
- 7. Management and Organization**
- 8. Capitalization Structure**
- 9. Financial Plan**
- 10. Attachments**
  - a. Management Resumes**
  - b. Competitive Analysis**
  - c. Projection of Sales by Market Line**
  - d. Product Line Profit Analysis**
  - e. Sample Agreement of Confidentiality**

Esitetty rakenne toimi arvioinneissa esimerkkinä, johon projektikurssilla tehtyjä suunnitelmia verrattiin. Arvioinnissa tärkeintä oli, että suunnitelmissa oli mukana tärkeimmät ja keskeisimmät osat, ja että kokonaisuus oli toimiva. Täsmällistä yllä olevan mallin noudattamista ei edes tavoiteltu: hyvän liiketoimintamallin sisällysluettelo voi toki näyttää kovin erilaiseltakin kuin yllä kuvattu esimerkki.

## 3.2 Sisällön laatu, suunnitelman toteuttamiskelpoisuus

Laadittujen liiketoimintasuunnitelmien laatua, toteuttamiskelpoisuutta ja menestymismahdollisuuksia arvioitiin seuraavien testien avulla:

- 1) Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?
- 2) Onko kysyntätilannetta kartoitettu, onko esitetylle liikeidealle markkinarakoa?
- 3) Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?
- 4) Onko kilpailutilanteesta tehty riittävän hyvin selkoa?
- 5) Kuinka hyvin ongelmakohdat on selvitetty ja onko niihin vastattu jo suunnitelmassa?

Nämä viisi kysymystä, edellä kuvatun rakennemallin lisäksi, toimivat arviointiprosessissa laaduntarkkailun mittareina, eräänlaisina pistokokeina, jotka tehtiin jokaiselle kuudelle liiketoimintasuunnitelmalle. Hyvän liiketoimintasuunnitelman teko vaatii toki paljon muutakin, kuin mitä edellä kuvatun rakennemallin ja näiden viiden kohdan toteuttaminen edellyttää, mutta jo tehtyjen suunnitelmien arviointiin tämä menetelmä sopii: jos rakenne on kunnossa ja nämä viisi kohtaa toteutuvat hyvin, on todennäköistä että laadittu liiketoimintasuunnitelma on muiltakin osin laadittu tarkoituksenmukaisesti ja riittävän huolellisesti.

Liiketoimintasuunnitelman laatimisella on useita funktioita. Ensimmäiseksi suunnitelman tekemisen tulisi kirkastaa suunnitelman laatijalle, onko liikeidea ylipäänsä toteuttamiskelpoinen ja niin hyvä, että sitä kannattaa lähteä viemään eteenpäin. Toiseksi, valmiin liiketoimintasuunnitelman tulee olla niin huolellinen ja vakuuttava, että sen avulla yrityksen toiminta-ajatus voidaan myydä sijoittajille, yhteistyökumppaneille ja mahdollisesti aloittavaan yritykseen rekrytoitaville työntekijöille, jopa merkittäville asiakkaillekin. Hyvin laadittu suunnitelma vahvistaa yrittäjän omaa uskoa siihen, että liiketoiminnalla on realistinen pohja. Toisaalta suunnitelman laatiminen sellaisenaankin parantaa yritystoiminnan menestymismahdollisuuksia. (AT&T:n suorittamassa tutkimuksessa liiketoimintasuunnitelman laatineet 42 % yrittäjistä menestyi oleellisesti paremmin kuin se 58 % osuus, joka ei ollut suunnitelmia laatunut.)

Tätä taustaa vasten laadukkaiden liiketoimintasuunnitelmien tärkeyttä ei voi yliarvioida. Eräs pohdittava kysymys tulevaisuudessa järjestettäviä vastaavia kursseja varten on se, minkälaisiin liikeideoihin pohjautuvia suunnitelmia opiskelijat tekevät.

Jos tavoitteena on yrityshautomokelpoiset suunnitelmat, jotka voitaisiin oikeasti käytännössä toteuttaa (jatkokehityksen jälkeen), voi olla vaikeaa löytää kokonaisuudelle kursseille riittävästi hyviä, kantavia liikeideoita. Jos ideoilta vaaditaan uutuutta ja ainutlaatuisuutta, voi joidenkin liikeideoiden epärealistisuus viedä pohjaa suunnitelman muulta rakentamiselta. Tällaisissa tapauksissa voisikin olla hyödyllistä ottaa suunnittelun pohjaksi jokin olemassa oleva yritys, ja kuvitella ryhmän tilanne tuota yritystä perustettaessa ja sen liiketoimintaa kehitettäessä.



## 4 SUUNNITELMAKOHTAISET ARVIOINTITULOKSET

### 4.1 Club Chat

Ryhmän jäsenet: Tomi Paju, Sharokh Nikou, Elina Lahti

#### Liiketoimintasuunnitelman rakenne

Club Chat -ryhmän liiketoimintasuunnitelmassa on tarvittavat rakenneosat mukana, joskin eri osiin kuuluvia asioita oli hieman sekavasti esitelty siellä täällä. Suunnitelman suurin yksittäinen puute oli operatiivisen toiminnan suunnittelun puute.

#### Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?

Esitetty tuoteidea oli selkeästi toimivimmasta päästä, mutta liikeidea ei tällaisenaan toimisi. Ryhmän suunnitelman mukaan Club Chat -palvelun kehittäminen ja toteuttaminen ostettaisiin alihankkijalta, ja vastaavasti yhteistyötä tehtäisiin ravintolaketjujen kanssa. Jäi epäselväksi, mihin tarvittaisiin itse Club Chat -yritystä, jos sen ainoa ”tuote” olisi alkuperäisen tuoteidean kehittäminen? Kun lisäksi suunnitelmasta kävi ilmi että kilpaileva tuote on jo kehitteillä, ei voida puhua ainutlaatuisesta liikeideasta, jonka voisi kaupallistaa sellaisenaan. Luontevampaa olisikin, että palveluideasta tekisi liiketoimintaa joko ravintolaketju tai sellainen pienyritys, joka pystyy omien resurssiensa (sisäisen tuotekehityksen) avulla tarjoamaan valmista palvelupakettia ravintoloille.

#### Onko kysyntätilannetta kartoitettu, onko esitetulle liikeidealle markkinarakoa?

Ryhmä oli selvittänyt kotimaista markkinatilannetta, ravintoloiden ja operaattorikentän taustoja sekä kilpailutilannetta. Koska esitetty tuoteidea oli uusi (ei vielä kaupallisia sovelluksia), oli kysyntätilannetta haarukoitu esittelemällä TV-Chat-palveluiden historiaa ja menestymistä. Toisin sanoen kysyntätilanteesta (etenkin ravintoloiden näkökulmasta) oli hyvin hatarat tiedot.

#### Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?

Suunnitelman kannattavuus- ja kasvusuunnitelmat olivat puutteelliset. Loppuosan Cash Flow -taulukoidessa esitellään kyllä 1–5 vuoden arvioitu tulojen ja menojen kehitys, mutta ilman mitään perusteluja.

#### Onko kilpailutilanteesta tehty riittävän hyvin selkoa?

Ei huomautuksia.

#### Kuinka hyvin ongelmakohdat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?

Pahinta ongelmaa, eli yrityksen oman liiketoiminnallisen idean ratkaisua (softakehittäjän ja ravintoloiden välimaastossa) ei ollut tunnistettu. Sen sijaan riskeinä mainittiin mm. riski SMS-teknologiaan sitoutumisesta, mitä voidaan kuitenkin pitää varsin marginaalisena riskinä.

## 4.2 eTool-WebStore

Ryhmän jäsenet: Jussi Hämäläinen, Hanssi Härmä, Anssi Lintilä, Kalle Palokankare

### Liiketoimintasuunnitelman rakenne

eTool-WebStore-ryhmän liiketoimintasuunnitelmasta löytyivät osapuilleen kaikki tarvittavat rakenneosaset, mutta kokonaisuus oli jäsenetty melko sekavasti. Esimerkiksi Marketing Plan -otsikon alle oli yhdistetty asioita hyvin monelta täysin markkinoinnin ulkopuoliseltakin alueelta, esimerkiksi yrityksen vahvuusanalysejä ja yleistä liiketoimintaprosessien kuvausta.

### Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järjevä ja toteuttamiskelpoinen strategia?

Työkalu- ja maalaustarvikkeiden nettikauppa voisi sinänsä olla toimiva liikeidea, mutta ryhmän tekemän asiakaskyselyn tulokset ja toisaalta Suomen markkinoiden koko (suunnitelmassa ei pohdittu kansainvälistä kaupankäyntiä) eivät tue hankkeen menestymistä. Ryhmän tekemän kartoituksen mukaan kotimaiset mahdolliset asiakkaat eivät olleet kovinkaan kiinnostuneita ostamaan tarvikkeita Internetistä, vain kolmannes piti ideaa hyvin tai edes vähän kiinnostavana.

### Onko kysyntätilannetta kartoitettu, onko esitetyle liikeidealle markkinarakoa?

Kysyntätilannetta oli kartoitettu (esitutkimus, omat käsitykset markkinoista), mutta saaduista tuloksista ei välttämättä ollut vedetty oikeita johtopäätöksiä. Sinänsä esitetyn tyyppiselle maalaustyökalujen Internet-erikoisliikkeelle voisi ollakin tilausta, mutta vain jos myynti ja markkinointi suunnattaisiin huomattavasti Suomea suuremmalle markkina-alueelle.

### Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?

Yrityksen taloustilanteesta oli tehty kaksisivuinen kustannuslaskelma 12 kuukaudeksi eteenpäin. Suunnitelman luvut olivat perustelemattomia ja ajallisesti vuoden mittainen taloussuunnitelma on aivan liian lyhyt. Lisäksi huomiota kiinnittivät investointien painotukset: yrityksen ensimmäisen vuoden suurin investointikulu olisi suunnitelman mukaan huonekalut, joihin suunnitelmassa käytetään 10 000 euroa.

### Onko kilpailutilanteesta tehty riittävän hyvin selkoa?

Ei huomautuksia. Suunnitelmassa käsiteltiin lähinnä kotimaisia brick-and-mortar-tyyppisiä kilpailijoita, vastaavaa maalaustarvikkeisiin erikoistuneita nettikauppoja ei ole olemassa.

### Kuinka hyvin ongelmakohtat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?

Ongelmakohtia löytyy, ja joihinkin on yritetty vastatakin. Oireellista on se, että erääksi suurimmista uhista mainitaan itse liikeidean toimivuus/oikeellisuus: ”Maybe we have selected the wrong products to sell through Internet”.

### 4.3 Digital TV E-mail

Ryhmän jäsenet: Jenni Matsson, Khalid Shahzad, Sebastien Vénot

#### Liiketoimintasuunnitelman rakenne

Digital TV E-mail -ryhmän liiketoimintasuunnitelmassa on tarvittavat rakennneosat mukana, mutta myös tämän suunnitelman suurin yksittäinen puute oli operatiivisen toiminnan suunnittelun puute ja sekavuus.

#### **Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?**

Digital TV E-mail -liiketoimintasuunnitelman kantavana ajatuksena on luoda digibokseihin integroitava sähköpostisovellus, ja myydä tätä sovellusta (tuotetta) digiboksien valmistajille. Suunnitelma on pikemminkin tuoteidea kuin liiketoimintasuunnitelma: hieman Club Chat -ryhmän tapaan tässä esitellään sinänsä mielekäs palvelu, joka kuitenkin ei kannata kokonaisen uuden yrityksen liikeideaksi asti. Tällainen toiminnallisuus on varsin helppo digiboksiin toteuttaa, mutta niin halutessaan digiboksivalmistaja pystyy sen toki itsekin toteuttamaan.

#### **Onko kysyntätilannetta kartoitettu, onko esitetyle liikeidealle markkinarakoa?**

Kysyntätilannetta on suunnitelmassa kartoitettu asiakaskyselyä myöten, mutta kohderyhmä on valittu väärin: yrityksen ideanahan olisi myydä tuotetta/sovellusta boksivalmistajille, ei loppukäyttäjille, ja esitetyssä liiketoimintasuunnitelmassa markkinakartoitusta on tehty juuri päinvastaisesta näkökulmasta.

#### **Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?**

Yrityksen taloustilanteesta oli tehty kustannus- ja tuottolaskelma viideksi vuodeksi. Suunnitelman luvut olivat kuitenkin perustelemattomia. Voidaan esimerkiksi kysyä, miksi ensimmäisen vuoden kahden hengen organisaatio tarvitsee 7 tietokonetta, 2 tulostinta ja 5 puhelinta?

#### **Onko kilpailutilanteesta tehty riittävän hyvin selkoa?**

Kilpailutilanne on kartoitettu ylimalkaisesti: kilpailijoiksi on nimetty satunnainen otos digitv- ja ohjelmistoalan yrityksiä Suomesta ja ulkomailta, eikä todellisia kilpailijoita (suuret digiboksivalmistajat, samat jotka on suunnitelmassa määritelty tärkeimmiksi potentiaalisiksi asiakkaiksi) ole juuri käsitelty.

#### **Kuinka hyvin ongelmakohdat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?**

Huutomerkin arvoinen puute on tuotteen käyttöplatформиin liittyvä riski: kun ryhmän tuoteidea perustuu siihen, että televisio olisi esimerkiksi vanhuksille helpompi ja luontevampi ympäristö sähköpostikommunikaatioon kuin vaikkapa PC-tietokoneet, olisi ollut tärkeää havaita, että viime vuosien kokemusten mukaan juuri digitv-sovellukset ovat olleet usein PC-sovelluksiaakin hankalampia käyttää (lastentaudit, UI-puutteet).

## 4.4 Business Document and Information Conversion Solution

Ryhmän jäsenet: Majid Almaskati, Ebrahim Maskati, Julie Mamaril

### Liiketoimintasuunnitelman rakenne

Rakenteeltaan IconVert-ryhmän liiketoimintasuunnitelma oli tällä projekti-kurssilla tehdyistä paras. Asiat oli esitetty loogisina kokonaisuuksina, ja suunnitelman ulkoasu oli selkeä. Suurimmat puutteet olivat rahoitus- ja liiketoimintalaskelmissa (mm. Financial Strategy -kappale oli jätetty tyhjäksi).

### **Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?**

IconVertin liikeidea oli hyvä ja selkeä: toteuttaa varmatoiminen, helppokäyttöinen ja turvallinen sovellusalausta erilaisten tiedostojen muuntamiseksi (ohjelma- ja tiedostoformaattien ja eri käyttöjärjestelmien välillä) muodosta toiseen. Suurimpana ongelmana voidaan pitää sitä, että esitetyn liiketoimintamallin toimivuus perustuu siihen, että heti alussa IconVert-järjestelmä olisi olemassa olevia suuria kilpailijoitaan parempi, joko tietoturvasuudessa tai esimerkiksi käyttöjärjestelmien välisen muuntotuen avulla. Tämä haaste merkitsee varsin suurta riskiä, varsinkin kun yrityksellä ei ennestään ole kokemusta sen enempää tietoturvan kuin tiedostokonvertoinninkaan alalta.

### **Onko kysyntätilannetta kartoitettu, onko esitetyle liikeidealle markkinarakoa?**

Kysyntätilannetta kartoittaessaan IconVert-ryhmä keskittyi Suomen markkinoihin, mikä tämänkaltaisen ohjelmistotuotteen kyseessä ollessa on ehdottomasti liian suppea alue. Tästä syystä suunnitelman kysyntäarvioilla ei ole juuri käytännön arvoa.

### **Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?**

Kannattavuudesta ja kasvusuunnitelmista ei ole mitään muuta tietoa kuin viideksi vuodeksi laaditut kassavirtalaskelmat. Nämä laskelmat on kuitenkin laadittu poikkeuksellisen huolellisesti verrattuna muihin tämän projekti-kurssin tuloksena syntyneisiin liiketoimintasuunnitelmiin.

### **Onko kilpailutilanteesta tehty riittävän hyvin selkoa?**

Kilpailutilannetta on selvitetty kiitettävästi, suunnitelmassa esitellään tärkeimmät kansainväliset kilpailijat.

### **Kuinka hyvin ongelmakohtat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?**

Suurin ongelma eli alkuinvestoinnin korkea riski (kilpailijoiden markkina-etumatka) jää suunnitelmassa käsittelemättä. Myös tuotekehitysorganisaation vahvuutta tulisi tarkastella suhteessa yrityksen alkuvaiheen T&K-haasteisiin.

## 4.5 Tyyli.com

Ryhmän jäsenet: Hannu Kontturi, Timo Nissinen, Marika Saarinen, Thomas Maurey

### Liiketoimintasuunnitelman rakenne

Tyyli.com-ryhmän liiketoimintasuunnitelmassa on tarvittavat rakenneosat, mutta kielellisten puutteiden ja toiston vuoksi suunnitelman kokonaisuus ei vakuuta: liian moniin kysymyksiin vastataan samalla tavalla (esittämällä liiketoimintamallin perusidea, sen sijaan että tehtäisiin selkoa konkreettisista ongelmista ja ratkaisuksista niihin).

### Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?

Tyyli.com-ryhmän liikeidea on mainio, ja ryhmän oma osaaminen ja liikeyrityksen toimintaidea tukevat toisiaan. palvelunkuvaus on selkeä ja konkreettinen.

### Onko kysyntätilannetta kartoitettu, onko esitetulle liikeidealalle markkinarakoa?

Suunnitelmassa tarkastellaan tyyli-alan kysyntätilannetta Suomessa, lähinnä esitetään perusteluja miksi kysyntää ainakin pitäisi olla. Stylistitoimistoja ja siten olemassa olevaa kysyntää todetaan Suomessa olevan jonkin verran jo ennestään. Tyyli.com:in tarkoituksena olisikin ottaa nykyisistä markkinoista tietty osuus käyttäjäystävällisen www-tyylipalvelun avulla ja mahdollisesti kasvattaa markkinoita asiakkuuskynnystä madaltamalla.

### Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?

Kannattavuus- ja kasvusuunnitelmat ovat puutteelliset. Suunnitelman lopussa olevassa tuotto- ja kustannuslaskelmassa on esitetty arvioita myynnin ja kannattavuuden kehityksestä, mutta ilman perusteluja. Lisäksi yrityksen substanssipalvelujen (tyyliasiantuntijat) ja tukitoimintojen ”huoltosuhde” vaikuttaa epätasapainoiselta.

### Onko kilpailutilanteesta tehty riittävän hyvin selkoa?

Kotimaisesta kilpailu- ja markkinatilanteesta on otettu selvää kohtalaisen hyvin. Suoria kilpailijoita www-tyylipalveluissa ei ole näköpiirissä, vaan kilpailupaineen luovat perinteiset tyylikonsulttitoimistot ja stylistipalvelut.

### Kuinka hyvin ongelmakohdat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?

Ongelmakohtia on tunnistettu kohtalaisen hyvin, mutta niihin ei ole esitetty ratkaisuja. Keskeisimmäksi ongelmaksi mainitaan Suomen markkinoiden pieni koko ja riski uusista tulokkaista. Näiden riskien varalle ei kuitenkaan esitetä mitään suojautumiskeinoja.

## 4.6 Mobile Phone Memory Storage/Backup

Ryhmän jäsenet: Roberto Mereu, Natalia Minina, Said Benalilou, Shahroz Saeidi, Khadir Zavareh

### Liiketoimintasuunnitelman rakenne

Mobile Phone Memory Storage/Backup -ryhmän liiketoimintasuunnitelmassa on tarvittavat rakenneosat mukana, lukuun ottamatta operatiivisen toiminnan suunnittelua, joka puuttuu kokonaan. Suunnitelma on sisällysluettelotasolla hyvin laaja, ja tuntuukin että monet suunnitelman kohdista on kirjoitettu vain koska pohjaksi kopioidussa mallirungossa sellainen kohta on ollut: samat asiat toistuvat eri puolilla liiketoimintasuunnitelmaa.

### Onko suunnitelmassa selkeä kokonaistavoite? Onko tavoitteeseen pääsemiseksi esitetty järkevä ja toteuttamiskelpoinen strategia?

Ryhmän liikeidea, matkapuhelimien SIM-kortin varmuuskopiointipalvelu, on sinänsä järkevä, mutta rajaamalla palvelun vain Symbian-puhelimiin ryhmä tekee liikeidealleen karhunpalveluksen. Lisäongelmia aiheuttaa hinnoittelu: 5 euroa kuussa SIM-kortin varmuuskopiointipalvelusta vaikuttaa varsin kovalta.

### Onko kysyntätilannetta kartoitettu, onko esitetulle liikeidealle markkinarakoa?

Kysyntätilannetta on pohdittu, mutta ei riittävän huolellisesti. Markkinan kokoa perustellaan esittelemällä tilastotietoja Suomen matkapuhelinpenetraatiosta, mutta seuraavassa lauseessa tuote rajataankin Symbian-puhelimiin ja todetaan, ettei niiden leviämisestä ole tietoa.

### Onko kannattavuutta ja kasvua käsitelty suunnitelmassa (riittävästi)?

Suunnitelman kannattavuus- ja kasvusuunnitelmat olivat puutteelliset. Suunnitelman loppuosan taulukoissa esitellään kyllä 1–5 vuoden arvioitu tulojen ja menojen kehitys, mutta ilman mitään perusteluja. Lisäksi nämä taulukot on oireellisesti otsikoitu nimellä ”Expenses Table”. Laskelmat ovat lisäksi selkeästi epärealistisia: ensimmäisenä toimintavuotena tuotteen mainontaan ei käytetä lainkaan rahaa, mutta silti myyntiä oletetaan tapahtuvan, ja koko ensimmäisen kalenterivuoden ajan maksetaan myös palkkaa kahdelle Help Desk -työntekijälle.

### Onko kilpailutilanteesta tehty riittävän hyvin selkoa?

Kilpailijoiksi mainitaan mm. erilliset SIM-varmuuskopiointilaitteet, sekä ”useat yritykset, jotka tarjoavat SIM-varmuuskopiointipalveluja”. Näitä yrityksiä ei kuitenkaan nimetä, eikä niiden palveluista tehdä selkoa.

### Kuinka hyvin ongelmakohtat on selvitetty, ja onko niihin vastattu jo suunnitelmassa?

Joitakin ongelmakohtia on tunnistettu (Symbian-teknologiahaaste, kilpailevat teknologiat, markkinoinnin kalleus, markkinoille pääsyn vaikeus), mutta ongelmiin ei ole esitetty mitään ratkaisuja.

## 5 YHTEENVETO KURSSIN TULOKSISTA

Kokonaisuutena arvioiden projektikurssin tuloksia voidaan pitää kohtalaisen hyvinä. Jos vertailutasona käytetään liiketoimintasuunnitelmia, jotka ovat valmiita toteutettavaksi käytännön liike-elämässä, on projektikurssilla laadituissa liiketoimintasuunnitelmissa jonkin verran huomautettavaa. Liikeideoiden toimivuudessa on useissa suunnitelmissa toivomisen varaa, ja erityisesti rahoitus- ja tuottolaskelmien realistisuuteen olisi pitänyt kiinnittää enemmän huomiota.

Tuloksia tulee kuitenkin arvioida opintosuorituksina, jolloin arvioinnin kokonaistulos nousee kohtalaisen hyväksi. Liiketoimintasuunnitelmien laadinnassa ryhmät ovat paneutuneet kunkin liikeidean mukaiseen markkinaympäristöön ja kilpailutilanteeseen sekä laatineet investointi- ja kululaskelmat. Yritystoiminnan tuotot on suunnitelmissa arvioitu muutamiksi vuosiksi eteenpäin. Suunnitelmissa on esitelty oman yritystoiminnan vahvuuksia, heikkouksia, mahdollisuuksia ja uhkia, sekä paneuduttu markkinointikysymyksiin kohtalaisen hyvin.

Kaikissa liiketoimintasuunnitelmissa näkyy selvästi opetuksen jäljet: niissä käsitellään oikeita asioita ja kielenkäytöstä näkyy, että oppikirjojen termistö on tuttua. Englanniksi kirjoitettujen liiketoimintasuunnitelmien kieliasun laatu on kuitenkin vaihteleva ja parhaimmillaankin vain tyydyttävä. Liikeideoiden toteuttamiskelpoisuus vaihtelee heikosta hyvään, samoin kuin kilpailutilanne- ja markkinakartoitusten laatu. Yksittäin arvioituna liiketoimintasuunnitelmia vaivaa lisäksi tietty opinnäytemäisyys, toisin sanoen niitä laadittaessa on kiinnitetty eniten huomiota siihen, kuinka liiketoimintasuunnitelmia tulisi laatia ja mitä osa-alueita suunnitelmien tulisi oppikirjojen mukaan sisältää. Toivoa sopiikin, että suunnitelmia olisi laadittu yrittäjämäisemmästä, käytännönläheisestä näkökulmasta.

Kun liiketoimintasuunnitelmia lähdetään toteuttamaan, tuntuvat suunnitelmien puutteet ja tehdyt virheet kipeästi omassa kukkarossa. Tämän ajattelutavan soisikin leviävän opinnäytteenä tehtävien liiketoimintasuunnitelmien laadintaan jatkossa: suunnitelmia pitäisi laatia hyvin arkisella ja konkreettisella otteella.

Varsinaisen arviointityön ulkopuolella voi todeta, että projektikurssien liiketoimintasuunnitelmaopetusta ajatellen ensiarvoisen tärkeää olisi henkilökohtaisesti annettu palaute ja arviointi. Tämän projektikurssin tuloksia olisi todennäköisesti voitu selkeästi parantaa iteraatiokierroksella, jossa ammattitaitoiset arvioijat olisivat antaneet palautetta ja korjausehdotuksia tehtyihin suunnitelmiin. Tällaisen katsauskierroksen jälkeen olisi useampikin tehdyistä suunnitelmista voitu nostaa tasolle, jonka pohjalta olisi voitu lähteä vaikkapa yrityshautomoon viemään suunnitelmia konkreettisesti eteenpäin.

Laadittujen suunnitelmien puutteista huolimatta on Turun ammattikorkeakoulun järjestämän *Digital Concept Design Project 2004* -projektikurssin kaltaista yrittäjäyyskoulutusta pidettävä erittäin kannatettavana. Vaikkei kaikista opiskelijoista yrittäjiä tulisiakaan, voidaan tämänkaltaisilla kursseilla merkittävästi lisätä ymmärrystä yrittäjyyden haasteista ja mahdollisuuksista. Näitä valmiuksia tarvitaan suomalaisessa yhteiskunnassa nyt ja tulevaisuudessa yhä enemmän.

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# ClubChat

Business Plan



# Group: ClubChat

Tomi Paju  
Shahrokh Nikou  
Elina Lahti

# CLUB CHAT

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Tomi Paju

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# CLUB CHAT

## EXECUTIVE SUMMARY

### **Chatting in new surroundings**

Most people have the need to be noticed and one way to be noticed is to express ideas and opinions in public. But how do you make your ideas or opinions public in front of a group of people in a noisy club where the only way to communicate is to yell into other person's ear? Our answer is to take chat-services (similar to those seen on TV) to club surroundings by offering local chat (SMS/MMS) services. The clubbers could send messages to the terminal (TV or some other screen) via their own mobile phones, stay anonymous if they want to and get the feeling of being a part of something bigger when they see their message among the other messages. We want to offer people a new way to express and entertain themselves.

To make this happen we are looking for partners who are ready to provide working operational environment and who are willing to share economical chances this service can make happen.

### **Who are we competing with and why will we win?**

There isn't any exactly same kind of services existing on our field. Yet there is competition between us and some other services that likewise offer people entertainment in the clubs. For example Black Jack tables, quiz game and slot machines. With these services we are competing of people's time and money.

There is also the threat that an already existing company will move to our sector. For example TV-chat providers would just have to revise their old product to fit new surroundings. They are also all ready familiar with the markets. Foreign companies probably don't have much interest for the small markets in Finland.

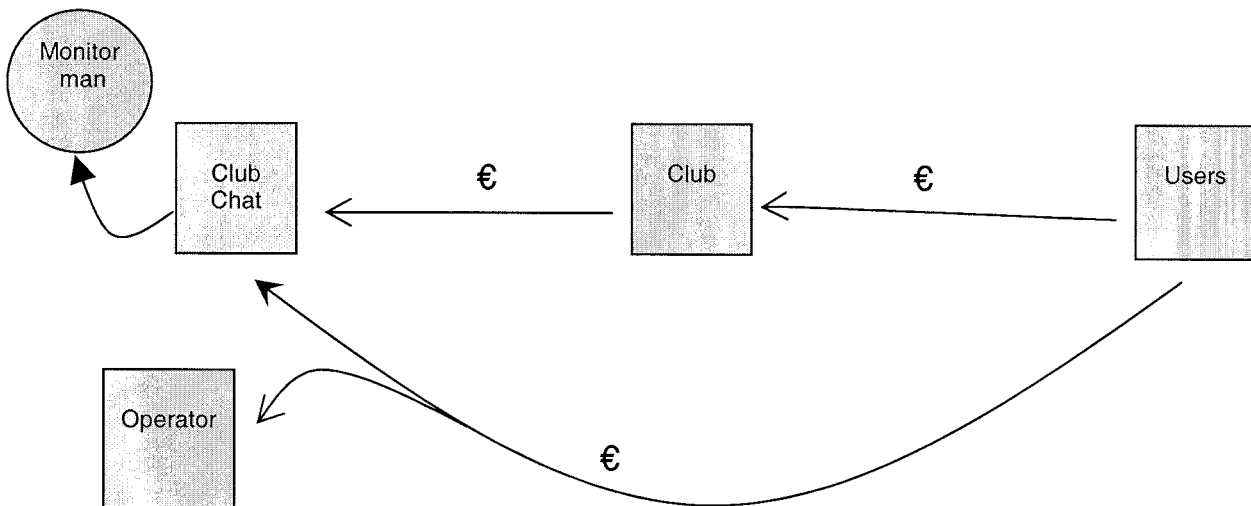
The catch with the Club Chat is that both parties, our company and the club, would benefit financially of the service. The club would get for example 20 % of the price of each sent

SMS/MMS. The more we get users, the more both parties will earn. The more customers a club can find, the more messages will be sent.

The pricing strategy is quite similar to the one of the TV-chats. One SMS would cost less than one Euro for the user.

We have calculated that we will break even during the second year. The first year would be unprofitable, but already in the end of the second year we will be making profit.

## Revenue Model



- The club pays a fixed sum for the chatting program to ClubChat plus a monthly fee
- Both ClubChat and the Clubs will get a share of the send messages
- Hardware i.e screens are provided by the club.
- Personalized graphics costs extra for the club
- 1 controller can control two or more clubs

# 1. MARKETS

## The short history of chatting

The Finnish history of TV-chats began June 5th year 2000 when the urban cable television channel TVTV!, a part of the Alma Media group, launched their SMS based chat. Fall 2001 TVTV! merged with Citytv. This new TV channel was named Subtv. Nowadays Subtv has two daily chat programs plus many SMS based TV games. By spring 2002 also the nationwide TV channels Nelonen and MTV3 had adopted TV-chats as well as many local TV stations.

The roots of TV chatting are in the world of computers and information technology. Message boards, listservs, bulletin board systems and IRC's (Internet Relay Chats) had existed for decades before TV-chats were invented. They were the essential tools in building electronic communities.

The foundation for the popularity of TV-chats lies in the SMS and its unexpected success. SMS became technically possible during the year 1991 because of the new GSM network technology. SMS became a feature of every mobile phone in the mid-1990s. Its popularity took everybody by surprise. Almost a billion text messages were send in Finland year 2000. The use of SMS is still growing fiercely. On the other hand the time spend talking in a mobile phone is also increasing but more patiently.

Today one SMS to a TV-chat costs in average 84 cents. The SMS is send to a number opened especially for the chat. The company that runs the chat has an agreement concerning the SMS with the mobile operators. There are estimations that two thirds of the price of the SMS send to a TV-chat goes to the mobile operators. The one third left is then divided between the TV channel and the company providing the chat services.

## TV-chats and mobile games currently on TV

### TV-chats

| Name           | Channel       | Price euro/SMS | Extras                   |
|----------------|---------------|----------------|--------------------------|
| 4 deitti       | Nelonen       | 0,85           | VIP 1,20<br>Private 1,80 |
| Urheiluchat    | Urheilukanava | 0,95           |                          |
| Make ja Mirkku | MTV3          | 1,62           |                          |
| Parantola      | SubTV         | 1,62           |                          |

### Mobile games (some including a possibility to chat)

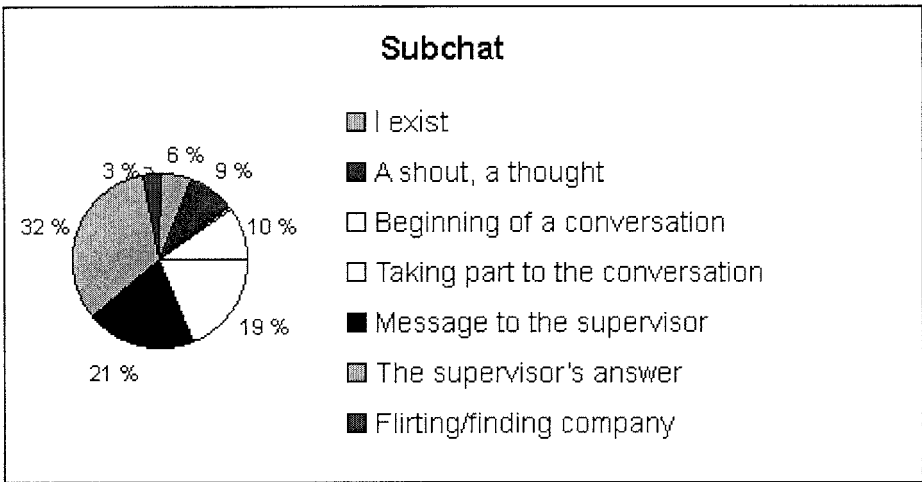
| Name        | Channel | Price euro/SMS | Extras                              |
|-------------|---------|----------------|-------------------------------------|
| Subi futis2 | SubTV   | 0,95           |                                     |
| Maalipeli   | MTV3    | 0,95           | Message to the<br>talking head 1,62 |
| Traffic2    | Yle     | 0,95           |                                     |
| Fusion X    | SubTV   | 0,84           |                                     |

## Two nights in a row spend watching TV-chats

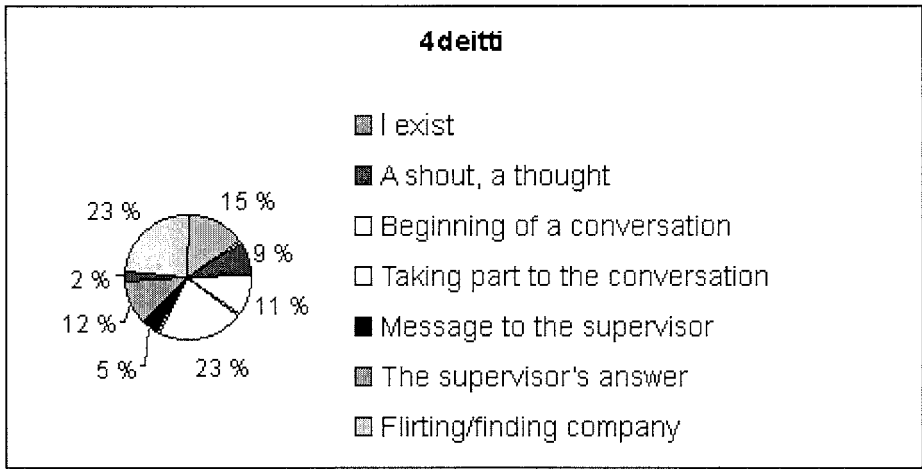
We compared two TV-chat broadcasts during one weekend. Sub-chat on SubTV the ninth of October (from 9-10 a.m.) and 4deitti chat on Nelonen the tenth of October (from 1.30-2.30 a.m.). Viewers send 215 messages to Sub-chat and 354 messages to 4deitti during one hour.

We had divided the incoming text messages to seven different groups: I exist, shout/thought, beginning of a conversation, taking part to the conversation, a message to the supervisor, the supervisor's answer and flirting/finding company.





From the statistics can be seen that communicating with the supervisor is what the most messages were about. Supervisors (moderators) and chat hosts play an important role in SubTV's chats. Moderators duty is to check all the incoming messages and to eliminate all the contact information (phone numbers, addresses), all the swear words, racist contents etc.



In 4deitti the most messages are about finding company and taking part to the conversation. Usual chatting, conversation, was what the most messages were about though the name of the chat 4deitti (4date) might suggest something else, but the line between flirting and small talk is thin in the electronic world.

In Sub-chat 69 of the messages were from the supervisor and 146 from paying customers. In 4deitti only 42 messages were from the supervisor and 312 from the chatters.

## 1.1 Customers

ClubChat operates on B to B basis. Our customers are the nightclubs and our users the nightclub's customers. Most nightclubs in Finland are a part of a bigger chain. Attracting one of these chains as a customer would be the optimum situation.

### SK-restaurants Oy

Finland's biggest private chain of nightclubs and restaurants is SK-ravintolat Oy owned by Seppo "Sedu" Koskinen. The company consists of 21 nightclubs in eight different cities (Helsinki, Tampere, Turku, Pori, Rauma, Salo, Forssa, Tallin). The company has over 350 employees and the estimated total turnover for the year 2004 is around 35 million euros. SK restaurants have more or less 45000 customers per week.

The target group in SK chains restaurants is 20-35 year old, active, urban people.

***"My restaurants are targeted for young people. Perhaps I'll start a restaurant for middle aged people when I get middle aged too"***

*Sedu Koskinen*

SK restaurants even have their own mobile connection called SK Mobile. Only a regular customer of the SK restaurants, SK Member, can purchase it. There are tens of thousands SK Members nowadays. Year 2001 there were over 15000 SK-members. SK Mobile claims to be a new channel through which the regular customers of the SK-restaurants can be served even better.

***"With SK-mobile we offer benefits and services of our restaurants and our partners to our regular customers. By this way we can serve them in an even more versatile and personal way. Now we also stand out more clearly from the other companies that offer restaurant services. Our success is based on continuous regeneration and on offering positive experiences to our customers. SK mobile is this in its best."***

*Sedu Koskinen*

Sedu's restaurants success is based on the regular customers. The grapevine is the most efficient way of marketing. Other marketing takes 10% of the turnover. <http://www.sk-ravintolat.com/>

### **Giggling Marlin**

Another private but smaller chain of nightclubs is Giggling Marlin. They operate in 6 different cities (Kuopio, Vaasa, Porvoo, Jyväskylä, Oulu, and Turku). Giggling Marlin consists of 6 different nightclubs. <http://www.gigglingmarlin.fi/>

### **S-group**

S-group has also a significant amount of restaurants, bars and nightclubs situated all over Finland.

More information about S-Group can be found from page 22. <http://www.s-kanava.net>

## **1.2 End users**

The legal drinking age in Finland is eighteen. However night clubs have come up with their own age limits for people entering the bar. The age limits in the bars that belong to one of the restaurant chains mentioned above, vary from 18 to 24.

Our end users are the relatively young, outgoing people. Another qualification they need to fulfill is that they own a mobile phone.

The profile of our most probable end user:

**Age:** 20-24

**Sex:** Man or woman

**Marital status:** Single

**Social network:** Strong social network, friends are very important, doesn't have children

**Work/occupation:** Student or a young person in working life

**Hometown:** A bigger city or a city where there lives a lot of students (Helsinki, Turku, Tampere, Oulu etc.)

**Values:** Have fun, enjoy life

**Wealth:** Not huge incomes, from 500€/month

**Attitudes towards IT:** Used mobile phone or chat users, couldn't imagine life without a mobile phone

In Finland there are approximately 330 000 20-24-year olds, 30 percent of which are students. (<http://www.stat.fi/>)

## **Use cases / scenarios**

### **Scenario A:**

Päivi is a teenager and she has many friends. One night she decides to go to night club with her friends and to have fun. So they meet each other near one popular night club in the center. They buy entrance tickets and go to the club. Päivi starts to have some drinks. After few drinks she goes to the dancing floor with her friends and they dance for a while. She gets a bit tired and goes to have some rest. Later she feels she needs to have some expensive drinks which obviously she can not afford. She is confused and sad because she has shortage of money. She is trying to get a loan from her friends some money but unfortunately none of her friends have enough to lend her. She is completely hopeless and suddenly she realizes that a week ago she read an advertisement in a paper that a new digital service was launched in the night club which gives the possibility that you can send text messages and everybody is able to see your text on the big screen installed in the club. So she sees this service as an object with which she could accomplish her needs. She decides to send a message to the screen with the title "WHO WANTS TO DANCE WITH ME" and who really wants to dance with me has to buy me a drink. As a matter of a fact there are many guys that are looking for company. So as soon as the message is shown on the screen she is bombarded with messages like "I can buy you a drink and I want to dance with you" and other kind of messages that all are some sort of conformation that they want to dance with her. So finally she agrees to dance with one guy who is ready to buy her the drink she wanted.

### **Scenario 2:**

Sauli and two of his friends go to the disco every Friday night. Since they always go to the same disco, this time they decide to visit a new place. Before going to the disco they think

that it would be good idea to have some beers before going inside. They go to buy the beers from "R kiosk" which is very near to the disco. Sauli buys six bottles of beer and after drinking them he gets drunk. The boys go the disco and again Sauli buys some beer. Suddenly he sees a girl that he has been interested in for a long time but he never has had the guts to tell her. As there is a possibility in disco to use this service, he can let the girl know about his interests without needing to go directly to her. He sends a text message to the screen and he mentions to whom he is writing. "I am Sauli and I want to talk to you".

### **1.3 Using technology in Finland**

#### **Internet users in Finland**

According to a survey conducted by Statistics Finland from 15-74 years olds approximately 2, 7 million Finns or circa 70% used the Internet since the beginning of January 2004.

Women have caught up men in the Internet use. About 71% of women and 70% of men have used Internet during last spring.

The number of users has grown among all age groups; however, the use among those over 50 years of age has increased the most.

In April 2004 nearly 2, 4 million or 61% of 15-74 years old had their own e-mail address. Among the youth between 15-19 the percentage was 89%.

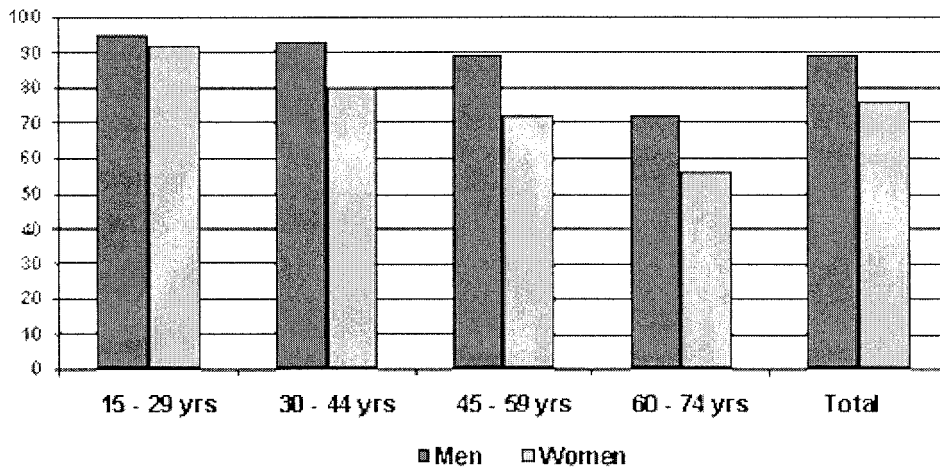
Of the parties having their own e-mail address 59% use e-mail daily.

#### **Mobile phones**

After gathering the information from different sources, possessing a personal mobile phone is probably as common among the 15 to 74-year-old Finns today as having a wrist watch. In the last couple of years mobile phones have also rapidly grown common among the under-15 age groups, as well as among pensioners. For some time to come, the

mobile phone is likely to remain in history as the piece of equipment with the fastest spread of adoption by almost everybody.

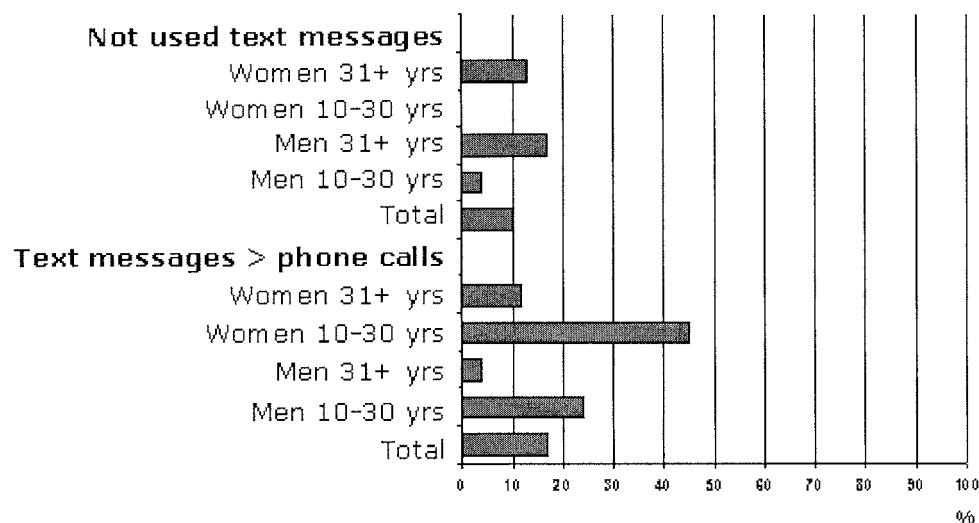
### Possesses mobile phone in autumn 2000, by sex and age



### Use of text messages

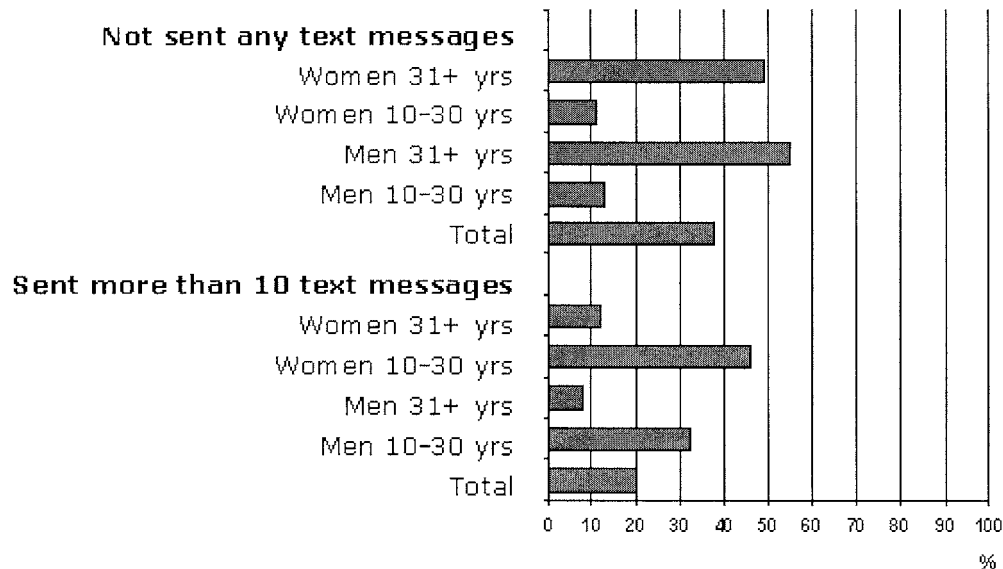
Sending and receiving of text messages have become an essential function among the users of mobile phones. Young people, especially young women, send a lot of text messages, whereas the older age groups use them less frequently. A total of one billion text messages, or close on 300 per one mobile phone user, was sent in Finland in the year 2000.

**Use of mobile phones for the sending and receiving of text messages by persons aged under and over 30 years in November 1999, by sex, in percentages of mobile phone users**



A rather new invention from the mobile operating companies is the mobile connection in which the user doesn't have to pay separately for SMS. SMS is included in the fixed monthly fee. There are limitations on how many messages can be send "free". Usually it's around 1000 SMS per month. Examples of these mobile connections are Sonera's Zeroforty, Elisa's Tandem Aina Tekstari and Saunalahti's Tekstari. The target group for these mobile connections are naturally people who send a lot of text messages.

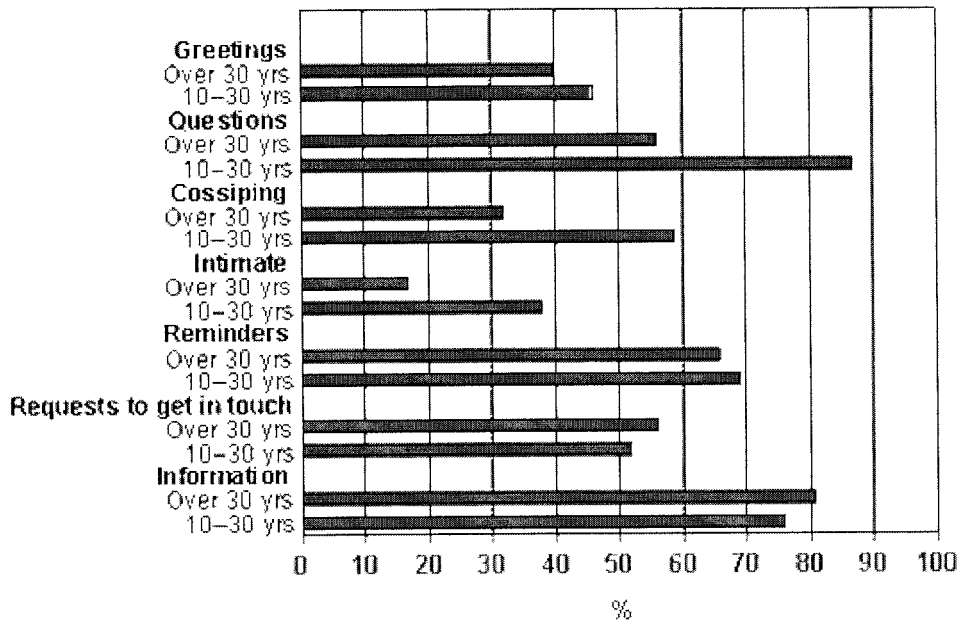
Here is distribution of those who had sent more than 10 text messages and those who had sent none at all within a week in November 1999 by age (under and over 30 years) and sex



In terms of their diversity, the contents of text messages are reminiscent of other modes of personal communication. The mobile phone and its text messages are obviously used for strengthening existing social ties and the text messages may even help to create and consolidate new ties. In the everyday life of the Finns, the mobile phone has become well established as a tool for personal interaction.



**Content of text messages sent by persons under and over 30 years in November 1999, by (in percentages)**



Source: Statistics Finland, Mobile Phones and Computer as Parts of Everyday Life in Finland

## 2. STRATEGY

### We intend to provide

We provide local chat (SMS/MMS) services for people who are clubbing or socializing.

### Our motivation

Chat services have become extremely popular during the previous few years and that's one of the main reasons why we are concentrating on this concept. We want to explore the possibilities an all ready existing service could have in entirely new surroundings.

Why have we thought then that a nightclub could be a good surrounding to take chat services to? Competition between nightclubs is hard. New clubs rise in the same haste as old ones die. Clubs have to come up with new attractions (for example theme nights, competitions, VIP cards etc) all the time to hang onto their customers. All the new, fresh ideas to keep them in the business are most probably more than welcome.

***“In todays more competitive market situation we will have to be able to offer more quality entertainment to our customers. Because of the alcohol tax reduction we are not only competing against other nightclubs anymore. We also have to compete against cheap alcohol that people can drink at home. This competition we can't win with price war, but we will have to offer more quality entertainment to our customers. We think that nightclubbing includes more than just drinking.”***

Seppo “Sedu” Koskinen, the owner of Finlands biggest chain of nightclubs, SK-ravintolat oy

### Our mission

Our mission is to make private acts public. What do we mean by that then? Usually when people send text messages they do it privately, from one person to another. The sender and the receiver are usually the only people who see the contents of the message. The difference with TV-chats is that the message will be seen by several people, but the person who has sent the message has no way knowing how many people will see his message and where those people are. With Club Chat the situation is again a bit different because the sender will be in the same space with the receiver and it could be possible for the “receivers” to observe the senders moves and behavior.

## **Our aim**

Our aim is to attract and retain a large audience of users to our ClubChat service. Users may even create a "ClubChat community" of regular users among the regular customers of a club.

## **Our advantages**

The qualities of a space, for example how noisy, spacious, dark the space is, all have their effect to how people interact with each other. For example in noisy spaces people use more text messaging than phone calls. A nightclub is a very good example of a place where talking face to face is quite hard and talking in the phone almost impossible. The music is just too loud. Even though it's noisy people still try to keep up a conversation and make and receive phone calls. They still have the need to interact with each other and even though talking with strangers is not a typical Finnish characteristic, Finns are quite keen to talk anonymously in different kind of forums, like chats.

Mobile phones can also be used for creating some privacy in a public place. For example if a person is sitting alone in a table in a club he most likely has a mobile phone in his hand, especially if this person is waiting for someone. It's less uncomfortable to sit alone in a table if you have a mobile phone to explore and stare. Even just placed on the table the phone serves as a message to the outside world that you are ok alone. However writing text messages is just a great way to kill time. So why not to write something to a TV screen (rather than for example for your ex-girlfriend)?

## **Our weaknesses**

People don't go to clubs to watch TV all though a TV or a projector and a screen do exist in most clubs. TV is just a part of the furniture, "a living painting". Often the TV is not even meant to be watched. It's usually situated high up next to the ceiling and even the sound is turned off. Sport bars make an exception. There people gather together especially to watch TV, which is usually the largest wide screen model available situated in a very central place.

Creating software for our concept will be the biggest cost for us. As we are clearly independent on external services concerning this investment, it is essential to investigate

as many providers as possible. Wrong choice during this early part of our business may slow down whole project and lead into economical problems. In worst case whole concept can fall because of selecting the wrong software provider. Other parts of business, marketing, visualizing, economics etc. are in safe hands or anyway we have a chance to toughen our capabilities while early steps of our project.

### **The need to be fulfilled**

“We are fulfilling peoples desire to come public with their opinions and ideas”. This is our guideline to remember.

What then is the need ClubChat wants to fulfill? You get the answer if you think about what kind of messages people would send to ClubChat and to get an answer to that you would have to think about the reasons why people go to clubs. People go to clubs to party, drink, and socialize and above all in need of finding a mate or just somebody to spend the night with. A large amount of the messages send to ClubChat would probably be send in need of finding company. That’s one thing what people try to find via the TV-chats too. But the important difference between TV-chats and ClubChat is that if you find a person via ClubChat you can be quite sure that that person is in the same room with you. She might even be sitting next to you, so you can make instant contact in flesh without having to wait a day or more to see on a date.

### 3. MARKETING PLAN

Service itself is a key component to our marketing mix. Our service should be our best advertisement. In this case even more so than with many other similar businesses, because of our specialization on channels for domestic product marketing means we develop contacts with people who can be our recommenders.

We need to fulfill the promise we make: we take a product across boundaries into new markets, explore channels, guide our client through the maze, and establish the relationships the client needs. This is a much focused deliverable. We aren't just doing marketing; we're getting product into channels.

The service itself is a key to our markets.

At this stage of our development, our research is mainly secondary research generated by keeping up with the media, including trade press and the Internet. We should quickly establish a strong service system so that we can use the information that appears in secondary sources and organize for effective use later on.

#### **Competitor analysis**

After marketing research we found out that Finnish cable-TV company Diggari has plans to launch Club Chat service together with S Group. Diggari is owned by company called Finnet. Finnet is a Finnish telecommunications group, who offers its clients all local and national voice, data and digital television services. According to information we got from them, project is not current, so competition concerning our concept is not outstandingly remarkable. Diggari already has its own TV-chat, which means they already have basic software and business experience compared with us.

**Finnet** group consists among others of 37 telephone companies, Finnet Ltd and Finnet Association. The group's turnover in 2003 was 978 million euros and it employs about 4 600 people. Finnet's main market area is Finland.

**The S Group** consists of the cooperative societies and SOK with their subsidiaries. Group businesses include food and groceries, specialty goods, hotels and restaurants, hardware and agriculture, automobiles and service stations. The purpose of the S Group is to provide services and benefits for committed customer-owners, where member card "green card" plays big role. Turnover of "S Group" during 1.januari – 30.june 2004 was total 3902 million €, when growth was compared to last years same period 11%. Turnover of hotel & restaurant business was total 286 million € and growth was 11, 3 % comparing to last year.

### **Existing services**

HOK-Elantoravintolat has sms-based service where after registration customer will receive offers via mobile. Offer is only valid, when customer shows "offer SMS" while doing order.

While considering already existing businesses relating to our concept, following services are the most interesting targets:

- RAY's slot machines made 282 million € total profit during january-june 2004. RAY's slot machines are located in hotels, restaurants, pubs, cafés, service stations, supermarkets, kiosks and arcades.  
The slot machines are intended to provide entertainment and excitement, and they give players the chance of modest winnings. On average the machines pay out 88% of the total amount staked. All the machines are manufactured by RAY.
- Casino games brought total 13 million € profit during the same period. RAY's casino games – card games and roulette – can be played in pubs, discos, hotels, night clubs and restaurants, as well as in the 'Täyspotti' arcades, Club Rays, and at Casino RAY.

Through its gaming activities RAY generates funds to support the work of voluntary health and welfare organizations. Of total revenues, around 92% comes from slot machines, 5% from casino table games and 3% from Casino RAY.

RAY's slot machines and games can be played at about 9000 locations around Finland operated by RAY's business partners. In addition RAY has its own arcades and clubs, as well as Casino RAY, Finland's only casino. (Numbers from RAY's homepage 04.10.2004)

- Chargeable quiz games machines are popular nowadays.
- Live music and other performers.
- Sports seen on screen

## 4. FINANCIAL PLAN

For the first year, salaries and operating expenses are kept low to generate funds for growth and expansion. The business projects Earnings before Interest and Taxes of -112, 675, 6 Euros in the first year three

The largest expense other than employees is Marketing/Research and Development Expenses. It is anticipated in the start-up phase of the new business model that numerous proposals and expenses will be incurred in attempts to attract clients.

Financials including a Balance Sheet, Projected Income Statements and Projected Cash Flow Statements along with a Five-Year Projected Income Statement can be found in Appendices.

### Revenues

The Company projects revenues of – 112, 675, 6 euros in the first year. Revenues increase to 486, 101, 00 euros by year three. Included in this projection are sales revenues from club chat t design and manufacturing which is explained in Current Business Development. (A detailed four and fifth-year projected income statement can be found in Appendix)



## **5. RISK ANALYSIS**

### **5.1 S.W.O.T Analysis**

#### **Strengths**

Our biggest advantage is brand new, trendy service taken into trendy environment. Product is also interesting, we have seen how big chat business is on TV nowadays. Public opinion is also on our side, according questions made to possible end users, idea about club chat makes them happy and signals have been very positive. Basic product is already well know, so marketing will concentrate only for service itself.

#### **Weaknesses**

Area we are working for is brand new and we don't have a market reputation. As known, many brilliant ideas just won't work if only how great them seemed to be in the beginning. Our business experience is poor, so we are in major danger to get involved with wrong people and bad decisions. We are also vulnerable to vital staff being sick, leaving, etc. Our cash flow will be also unreliable in the early stages.

Creating software for our concept will be the biggest cost for us. As we are clearly independent on external services concerning this investment, it is essential to investigate as many providers as possible. Wrong choice during this early part of our business may slow down whole project and lead into economical problems. In worst case whole concept can fall because of unsuccessful selecting of software provider. Other parts of business, marketing, visualizing, economics etc. are in safe hands or anyway we have a chance to toughen our capabilities while early steps of our project.

#### **Opportunities**

Opportunities we are facing are remarkable. Exploding growth of chat and sms services is something which is still based on something we don't exactly know. Our service can be reached by all mobile phone users, and that means a lot for us = our business sector is expanding, with many future opportunities for success. In the future new technologies like bluetooth can be used by all mobile users. That allows free messaging within certain

distances. Technology can make our service more interesting, but also will effect economical situation so, that new ways of making income must be found.

## **Threats**

SMS chatting is based on SMS services and some quick changes in this business can be threats for us. We have to base our service in certain technology and what will happen next concerning this matter is good question. If we have invested in technology with external funding and technology is changing after a while, are we dealing with new challenges.

## **5.2 Risk Analysis**

### **Development Risk**

We don't necessarily need to develop anything new because we may use the already existing TV-chats as a base to ClubChat. But we will have to revise them to meet our needs or produce whole new software. If we are forced to create new software, are we dealing with major economical risks.

### **Marketing Risk**

Because our service is new to the market there is no certainty of what is going to happen and how the end users will react. Will they find ClubChat worth of trying and using or will it just have "fifteen minutes of celebrity"? But by creating a good brand and by getting a strong partner (a chain of clubs) we can try to reduce the risks to the minimum.

Piloting ClubChat in one or two clubs would bring us more up to date information.

### **Brand Building**

A failure to build our brand name quickly and significantly will result in lower than expected revenues. If we do not gain significant brand recognition quickly, we may lose the opportunity to build a critical mass of customers and our business may fail.

## 6. MANAGEMENT TEAM

### 6.1 The Management:

The Club Chat management is a main key asset necessary to propel this project forward. Combined, the three members including the founder of this idea have worked together over 7 months of direct and indirect experience in general management, e-commerce, finance, and marketing.

### 6.2 The Team

The roles of each team member are in line with qualifications and interests, where cooperate together to make our plan more feasible. The following figure shows the background of each member and the organization of Club Chat.

**Figure1. Team Members**

|                | <b>Background</b>          | <b>Club Chat Role</b>  |
|----------------|----------------------------|------------------------|
| Tomi Paju      | student, sales, consulting | manager and marketing  |
| Elina Lahti    | student, brand management  | design, marketing      |
| Shahrokh Nikou | student, sales             | technology and finance |

Summaries of team members' individual qualifications can be found in their CV's in the appendices section of this document.

## **7.APPENDICES**

### **7.1 Technical Concept**

Our service is quite simple to implement( basically like SMS or MMS) , it is not requiring advanced devices or software, but as this service is totally new we need to have special software in order to be able to transfer and control messages to the screen. Beside we do need some other devices and equipments. Of course some part of our service will be handling by telephone operators which those companies make our job easier but, however club chat technical concepts are not very complicated.

Our service's technical elements can be divided in three portions:

#### **1. Mobile phone**

Nowadays the cell phone can be found in everywhere and our target group owns this modern device. They can send their messages through the mobile phones.

#### **2. Telephone companies (operators)**

Our service is works like normal mobile messaging, but there would be a difference instead of receivers sees receiving message in their own telephone they will see them in a big screen.

But to ensure this operation works, (Sending and Receiving) we need the mobile operators to make sure they are be able to handle that job. (Like Sonera and Radiolinja)

#### **3. Screen**

When our service user sends their messages and they want messages to be seen in very big screen, there we need a screen in the places where our service will be used. Of course normal TV screen also would be quite enough. In this case we need to use many of them attached together.

#### **4. Observer**

The Observer is a person who is in charge of monitoring all the incoming messages and discarding some of them which are not good or polite enough to be seen on public screen. All messages will be charged, even the unpublished messages.

### **7.2 Information about the cash flow**

#### **Employees**

There are three members in the management board. Every one of them earns 2500€ per month.

The salaries are calculated in the following way:

2500.00€ as row salary, then that amount multiplied by 1.67 % (other expenses)

$2500.00 * 1,67 = 4175€$  (for each member of the management board)

$4175.00€ * 3 = 12525€$

#### **Monitor man**

We have agreed that one monitor man controls three clubs in same time. After every three months we would launch our service in three more clubs. Then we hire another monitor man.

By the end of the first year we will have 12 clubs where our service is used and so we need 4 monitor men for the first year.

This system will continue for the following years as well.

#### **Equipment and material**

For each club we need one computer and one big TV screen so we will need 12 computers and 12 TV screens for first year and so on for the following years.

### **Rents and cost**

We need an office for handling our meetings and works.

### **Insurance**

We need an insurance for our office. We also need to insure our monitor men.

### **Other expenses**

We need to buy some furniture, desks, meeting table and so on, to our office.

### **Marketing**

For advertising and marketing we decided to use the local radios and flyers. ClubChat could also be mentioned in the clubs web pages. Many clubs keep registers about their regular customers. Clubs collect the phone numbers of their customers to send them information about the events in the clubs. We could probably take advantage of these registers to market ClubChat. However in the club business the grapevine is the most efficient way of marketing.

### **Received messages:**

In the beginning of launching our service we start with 3 places and each place works for five hours per night. There are 3 nights that usually we can use it, Wednesday, Friday and Saturday

We estimated that we receive 2 messages per minute. We can have 120 messages for one hour. It means that we receive 600 from each place. In three different places we have the total of 1800 messages per night. As explained above we have 3 night in week and 12 nights in month.

**Calculations:**

$$1(\text{place}) * 5(\text{hours}) * (\text{minutes}) = 300 \text{ Min}$$

$$300(\text{min}) * 2(\text{receive message per minute}) = 600(\text{messages per night for one place})$$

$$600(\text{messages}) * 3(\text{places}) = 1800(\text{messages per night})$$

$$12(\text{nights in month}) * 1800(\text{messages}) = 21600(\text{messages per month})$$

This calculation is valid for all five year cash flow.

# First Year Cash Flow

| NO:   | Jan     | Feb      | Mar      | Apr      | May      | Jun     | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     |
|---|---------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|
| <b>Employees</b>                            |         |          |          |          |          |         |         |         |         |         |         |         |
| Management                                  | 3       | 12525    | 12525    | 12525    | 12525    | 12525   | 12525   | 12525   | 12525   | 12525   | 12525   | 12525   |
| Monitor man                                 | 1 to 4  | 1800     | 1800     | 1800     | 3600     | 3600    | 5400    | 5400    | 5400    | 7200    | 7200    | 7200    |
| <b>Equipment and Material</b>               |         |          |          |          |          |         |         |         |         |         |         |         |
| Computers                                   | 3 to 12 | 2100     | 0        | 0        | 2100     | 0       | 2100    | 0       | 0       | 2100    | 0       | 0       |
| Software                                    | 1       | 30000    |          |          |          |         |         |         |         |         |         |         |
| TV screen                                   | 3 to 12 | 4500     | 4500     | 4500     |          |         |         |         |         | 4500    |         |         |
| <b>Rents and cost</b>                       |         |          |          |          |          |         |         |         |         |         |         |         |
| Office                                      | 1       | 500      | 500      | 500      | 500      | 500     | 500     | 500     | 500     | 500     | 500     | 500     |
| Utilities: water                            |         | 500      | 500      | 500      | 500      | 500     | 500     | 500     | 500     | 500     | 500     | 500     |
| electricity, Telephone                      |         |          |          |          |          |         |         |         |         |         |         |         |
| <b>Insurance</b>                            |         |          |          |          |          |         |         |         |         |         |         |         |
| Property                                    |         | 50       | 50       | 50       | 50       | 50      | 50      | 50      | 50      | 50      | 50      | 50      |
| Employees                                   |         | 150      | 150      | 150      | 200      | 200     | 250     | 250     | 250     | 300     | 300     | 300     |
| <b>Other Expenses</b>                       |         |          |          |          |          |         |         |         |         |         |         |         |
| Furniture                                   |         | 3500     | 0        | 0        | 0        | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Office supplies                             |         | 3650     | 50       | 50       | 50       | 50      | 50      | 50      | 50      | 50      | 50      | 50      |
| <b>Marketing</b>                            |         |          |          |          |          |         |         |         |         |         |         |         |
| Advertising                                 |         | 10000    | 10000    | 10000    | 15000    | 15000   | 20000   | 20000   | 20000   | 25000   | 25000   | 25000   |
| <b>Outgoing</b>                             |         | 69275    | 25575    | 25575    | 39025    | 32425   | 45875   | 39275   | 39275   | 52725   | 46125   | 46125   |
| Received message                            |         | 21600    | 21600    | 21600    | 43200    | 43200   | 64800   | 64800   | 64800   | 86400   | 86400   | 86400   |
| Income from messages                        |         | 18144    | 18144    | 18144    | 36288    | 36288   | 54432   | 54432   | 54432   | 72576   | 72576   | 72576   |
| Operator Fee 10%                            |         | 1814,4   | 1814,4   | 1814,4   | 3628,8   | 3628,8  | 5443,2  | 5443,2  | 5443,2  | 7257,6  | 7257,6  | 7257,6  |
| Club Fee 20%                                |         | 3628,8   | 3628,8   | 3628,8   | 7257,6   | 7257,6  | 10886,4 | 10886,4 | 10886,4 | 14515,2 | 14515,2 | 14515,2 |
| <b>Income from messages after deduction</b> |         | 12700,8  | 12700,8  | 12700,8  | 25401,6  | 25401,6 | 38102,4 | 38102,4 | 38102,4 | 50803,2 | 50803,2 | 50803,2 |
| <b>Income</b>                               |         | -56574,2 | -12874,2 | -12874,2 | -13623,4 | -7023,4 | -7772,6 | -1172,6 | -1172,6 | -1921,8 | 4678,2  | 4678,2  |
| <b>Annual income</b>                        |         | -112676  |          |          |          |         |         |         |         |         |         |         |

**Note: 1: Price for each message is 0.84€ 2: All figures are in € 3: Except line 34**



## Second Year Cash Flow

| NO:                                  | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Employees</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Management                           | 3      | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  | 12525  |
| Monitor man                          | 5 to 8 | 9000   | 9000   | 10800  | 10800  | 10800  | 12600  | 12600  | 12600  | 14400  | 14400  | 14400  |
| <b>Equipment and Material</b>        |        |        |        |        |        |        |        |        |        |        |        |        |
| 3 to                                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Computers                            | 12     | 2100   | 0      | 2100   | 0      | 0      | 2100   | 0      | 0      | 2100   | 0      | 0      |
| Software                             | 0      | 0      |        |        |        |        |        |        |        |        |        |        |
| 3 to                                 |        |        |        |        |        |        |        |        |        |        |        |        |
| TV screen                            | 12     | 4500   |        | 4500   |        |        | 4500   |        |        | 4500   |        |        |
| <b>Rents and cost</b>                |        |        |        |        |        |        |        |        |        |        |        |        |
| Office                               | 1      | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    |
| Utilities: water, electricity        |        | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    |
| telephone                            |        |        |        |        |        |        |        |        |        |        |        |        |
| <b>Insurance</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Property                             |        | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     |
| Employees                            |        | 350    | 350    | 400    | 400    | 400    | 450    | 450    | 450    | 500    | 500    | 500    |
| <b>Other Expenses</b>                |        |        |        |        |        |        |        |        |        |        |        |        |
| Furniture                            |        | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     |
| Office supplies                      |        |        |        |        |        |        |        |        |        |        |        |        |
| <b>Marketing</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Advertising                          |        | 30000  | 30000  | 35000  | 35000  | 35000  | 40000  | 40000  | 40000  | 45000  | 45000  | 45000  |
| <b>Outgoing</b>                      |        |        |        |        |        |        |        |        |        |        |        |        |
| Received message                     |        | 59575  | 52975  | 66425  | 59825  | 59825  | 73275  | 66675  | 66675  | 80125  | 73525  | 73525  |
| Income from messages                 |        | 108000 | 108000 | 129600 | 129600 | 129600 | 151200 | 151200 | 151200 | 172800 | 172800 | 172800 |
| Operator Fee                         |        | 90720  | 90720  | 108864 | 108864 | 108864 | 127008 | 127008 | 127008 | 145152 | 145152 | 145152 |
| 10% Fee                              |        | 9072   | 9072   | 10886  | 10886  | 10886  | 12701  | 12701  | 12701  | 14515  | 14515  | 14515  |
| Club Fee 20%                         |        | 18144  | 18144  | 21773  | 21773  | 21773  | 25402  | 25402  | 25402  | 29030  | 29030  | 29030  |
| Income from messages after deduction |        | 63504  | 63504  | 76205  | 76205  | 76205  | 88906  | 88906  | 88906  | 101606 | 101606 | 101606 |
| Income                               |        | 3929   | 10529  | 9779.8 | 16380  | 16380  | 15631  | 22231  | 22231  | 21481  | 28081  | 28081  |
| Annual income                        |        | 205262 |        |        |        |        |        |        |        |        |        |        |

**Note: 1: Price for each message is 0.84€ 2: All figures are in € 3: Except line 34**

# Third Year Cash Flow

| NO:   | Jan     | Feb           | Mar           | Apr           | May           | Jun           | Jul           | Aug           | Sep           | Oct           | Nov           | Dec           |
|---|---------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Employees</b>                                |         |               |               |               |               |               |               |               |               |               |               |               |
| Management                                      | 3       | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         |
| Monitor man                                     | 9 to 12 | 16200         | 16200         | 18000         | 18000         | 18000         | 19800         | 19800         | 19800         | 21600         | 21600         | 21600         |
| <b>Equipment and Material</b>                   |         |               |               |               |               |               |               |               |               |               |               |               |
| Computers                                       | 3 to 12 | 2100          | 0             | 2100          | 0             | 0             | 2100          | 0             | 0             | 2100          | 0             | 0             |
| Software  | 0       | 0             |               |               |               |               |               |               |               |               |               |               |
| TV screen                                       | 3 to 12 | 4500          |               | 4500          |               |               | 4500          |               |               | 4500          |               |               |
| <b>Rents and cost</b>                           |         |               |               |               |               |               |               |               |               |               |               |               |
| Office  | 1       | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           |
| Utilities: water, electricity<br>telephone      |         | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           |
| <b>Insurance</b>                                |         |               |               |               |               |               |               |               |               |               |               |               |
| Property  |         | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| Employees                                       |         | 550           | 550           | 600           | 600           | 600           | 650           | 650           | 650           | 700           | 700           | 700           |
| <b>Other Expenses</b>                           |         |               |               |               |               |               |               |               |               |               |               |               |
| Furniture                                       |         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Office supplies                                 |         | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| <b>Marketing</b>                                |         |               |               |               |               |               |               |               |               |               |               |               |
| Advertising                                     |         | 50000         | 50000         | 55000         | 55000         | 55000         | 60000         | 60000         | 60000         | 65000         | 65000         | 65000         |
| <b>Outgoing</b>                                 |         | <b>86975</b>  | <b>80375</b>  | <b>93825</b>  | <b>87225</b>  | <b>87225</b>  | <b>100675</b> | <b>94075</b>  | <b>94075</b>  | <b>107525</b> | <b>100925</b> | <b>100925</b> |
| Received message                                |         | 194400        | 194400        | 194400        | 216000        | 216000        | 237600        | 237600        | 237600        | 259200        | 259200        | 259200        |
| <b>Income from messages</b>                     |         | <b>163296</b> | <b>163296</b> | <b>163296</b> | <b>181440</b> | <b>181440</b> | <b>199584</b> | <b>199584</b> | <b>199584</b> | <b>217728</b> | <b>217728</b> | <b>217728</b> |
| <b>Operator Fee 10%</b>                         |         | <b>16330</b>  | <b>16330</b>  | <b>18144</b>  | <b>18144</b>  | <b>18144</b>  | <b>19958</b>  | <b>19958</b>  | <b>19958</b>  | <b>21773</b>  | <b>21773</b>  | <b>21773</b>  |
| <b>Club Fee 20%</b>                             |         | <b>32659</b>  | <b>32659</b>  | <b>36288</b>  | <b>36288</b>  | <b>36288</b>  | <b>39917</b>  | <b>39917</b>  | <b>39917</b>  | <b>43546</b>  | <b>43546</b>  | <b>43546</b>  |
| <b>Income from messages<br/>after deduction</b> |         | <b>114307</b> | <b>114307</b> | <b>127008</b> | <b>127008</b> | <b>127008</b> | <b>139709</b> | <b>139709</b> | <b>139709</b> | <b>152410</b> | <b>152410</b> | <b>152410</b> |
| <b>Income</b>                                   |         | <b>27332</b>  | <b>33932</b>  | <b>33183</b>  | <b>39783</b>  | <b>39783</b>  | <b>39034</b>  | <b>45634</b>  | <b>45634</b>  | <b>44885</b>  | <b>51485</b>  | <b>51485</b>  |
| <b>Annual income</b>                            |         | <b>486101</b> |               |               |               |               |               |               |               |               |               |               |

**Note: 1: Price for each message is 0.84€ 2: All figures are in € 3: Except line 34**

## Forth Year Cash Flow

| NO:                           | Jan      | Feb           | Mar           | Apr           | May           | Jun           | Jul           | Aug           | Sep           | Oct           | Nov           | Dec           |
|-------------------------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Employees</b>              |          |               |               |               |               |               |               |               |               |               |               |               |
| Management                    | 3        | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         | 12525         |
| Monitor man                   | 13 to 16 | 23400         | 23400         | 25200         | 25200         | 25200         | 27000         | 27000         | 27000         | 28800         | 28800         | 28800         |
| <b>Equipment and Material</b> |          |               |               |               |               |               |               |               |               |               |               |               |
| Computers                     | 3 to 12  | 2100          | 0             | 2100          | 0             | 0             | 2100          | 0             | 0             | 2100          | 0             | 0             |
| Software                      | 0        | 0             |               |               |               |               |               |               |               |               |               |               |
| TV screen                     | 3 to 12  | 4500          | 4500          |               |               |               | 4500          |               |               | 4500          |               |               |
| <b>Rents and cost</b>         |          |               |               |               |               |               |               |               |               |               |               |               |
| Office                        | 1        | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           |
| Utilities: water, electricity |          | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           |
| Telephone                     |          |               |               |               |               |               |               |               |               |               |               |               |
| <b>Insurance</b>              |          |               |               |               |               |               |               |               |               |               |               |               |
| Property                      |          | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| Employees                     |          | 750           | 750           | 800           | 800           | 800           | 850           | 850           | 850           | 900           | 900           | 900           |
| <b>Other Expenses</b>         |          |               |               |               |               |               |               |               |               |               |               |               |
| Furniture                     |          | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Office supplies               |          | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| <b>Marketing</b>              |          |               |               |               |               |               |               |               |               |               |               |               |
| Advertising                   |          | 75000         | 75000         | 80000         | 80000         | 80000         | 85000         | 85000         | 85000         | 90000         | 90000         | 90000         |
| <b>Outgoing</b>               |          | <b>119375</b> | <b>112775</b> | <b>126225</b> | <b>119625</b> | <b>119625</b> | <b>133075</b> | <b>126475</b> | <b>126475</b> | <b>139925</b> | <b>133325</b> | <b>133325</b> |
| Received                      |          | 280800        | 280800        | 302400        | 302400        | 302400        | 324000        | 324000        | 324000        | 345600        | 345600        | 345600        |
| Income from messages          |          | 235872        | 235872        | 254016        | 254016        | 254016        | 272160        | 272160        | 272160        | 290304        | 290304        | 290304        |
| Operator Fee 10%              |          | 23587         | 23587         | 25402         | 25402         | 25402         | 27216         | 27216         | 27216         | 29030         | 29030         | 29030         |
| Club Fee 20%                  |          | 47174         | 47174         | 50803         | 50803         | 50803         | 54432         | 54432         | 54432         | 58061         | 58061         | 58061         |
| Income from messages          |          | 165110        | 165110        | 177811        | 177811        | 177811        | 190512        | 190512        | 190512        | 203213        | 203213        | 203213        |
| after deduction               |          | 45735         | 52335         | 51586         | 58186         | 58186         | 57437         | 64037         | 64037         | 63288         | 69888         | 69888         |
| Income                        |          | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        | 706939        |
| Annual income                 |          |               |               |               |               |               |               |               |               |               |               |               |

**Note: 1: Price for each message is 0.84€ 2: All figures are in € 3: Except line 34**

# Fifth Year Cash Flow

NO:

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

## Employees

Management 3 12525 12525 12525 12525 12525 12525 12525 12525 12525 12525 12525 12525

17 to

## Equipment and Material

Monitor man 20 30600 30600 30600 32400 32400 32400 34200 34200 34200 36000 36000 36000

Computers 3 to 12 2100 0 0 2100 0 0 2100 0 0 2100 0 0

Software 0 0

TV screen 3 to 12 4500 4500

## Rents and cost

Office 1 500 500 500 500 500 500 500 500 500 500 500 500

Utilities: water, electricity Telephone

## Insurance

Property 50 50 50 50 50 50 50 50 50 50 50 50

Employees 950 950 950 1000 1000 1000 1050 1050 1050 1100 1100 1100

## Other Expenses

Furniture 0 0 0 0 0 0 0 0 0 0 0 0

Office supplies 50 50 50 50 50 50 50 50 50 50 50 50

## Marketing

Advertising 95000 95000 95000 100000 100000 100000 105000 105000 105000 110000 110000 110000

## Outgoing

Received message 146775 140175 140175 153625 147025 147025 160475 153875 153875 167325 160725 160725

Income from messages 367200 367200 367200 388800 388800 388800 410400 410400 410400 432000 432000 432000

Operator Fee 10% 308448 308448 308448 326592 326592 326592 344736 344736 344736 362880 362880

Club Fee 20% 30845 30845 30845 32659 32659 32659 34474 34474 34474 36288 36288

Income from messages after deduction 61690 61690 61690 65318 65318 65318 68947 68947 68947 72576 72576

## Income

215914 215914 215914 228614 228614 228614 241315 241315 241315 254016 254016 254016

## Annual income

69139 75739 75739 74989 81589 81589 80840 87440 87440 86691 93291 93291

987778

**Note: 1: Price for each message is 0.84€ 2: All figures are in € 3: Except line 34**

## 7.3 Management Team's CVs

### CV Tomi Paju

**Name:** Tomi Paju

**Address:** Sillanpäänpolku 4d 9, 24130 Salo

**E-mail:** tomi.paju@students.turkuamk.fi

#### Education

- 1989 high school graduate
- 1993 commercial college graduate
- 2003- polytechnic

#### Work Experience

- 1985-1987 garden worker
- 1988-1990 meat factory worker
- 1991 Finnish army
- 1993-2000 sales clerk, household appliances
- 2001-2003 caddie/caddie master
- 2003- free lance writer

#### Hobbies and Family

- fiancée and a baby girl
- all sports, at the moment mainly golf, squash and gym
- traveling

#### More about myself

- already 34 years old
- a lot of experience about all kinds of human natures
- good social skills

## CV Shahrokh Nikou

**Name:** Shahrokh NIKOU

**Age:** 34

**Address:** YO-KYLÄ 5 D 6, 20540 Turku

### **Graduation:**

2002-2006 Turku Polytechnics, Degree program in Information Technology

1984-1987 High school, Metal Industry

1989-1991 Tehran Polytechnic, Water and Gas industry

1992-1994 Different computer and English language courses

1994-1995 Passed Microsoft operating system course

### **Work Experience:**

1995-1998 Tehran computer center as soft- and hardware installation assistance

1990-1995 Real estate company, as foreigner rent department manager

### **Professional Skills:**

Developing and integrating PC connectivity

Good in local area network design

### **Interests and activities:**

Sports, reading different kinds of books, traveling

### **Key Skills:**

Communication with people, hard working in interested subjects

### **References:**

Are available upon request

## CV Elina Lahti

### Personal Information:

**Name:** Elina Lahti

**Address:** Mariankatu 6 a 10, 15110 Lahti

**E-mail:** lahtelin@lpt.fi

**Age:** 22

### Education:

2001- Lahti Polytechnic/ Institute of Design/ Multimedia Production

2000-2001 Västra Nylands Folk School/ New Media

1997-2000 High School, Turun Klassikon lukio

### Language Skills:

Finnish: native language

English

Swedish

Basics in German and Italian

### Working Experience:

Summer 2003 Tampere Institute of Home Economics/Designing a folder and website

2000- Ramada Hotel Turku

### Interests:

Photography, Arts, Traveling

## 7.4 Questionnaire (example)

1. Age

### 2. Sex

Man

Woman

### 3. Where do you live (city/town)?

### 4. What are your hobbies?

|                    | No                       | Yes                      |
|--------------------|--------------------------|--------------------------|
| Sports             | <input type="checkbox"/> | <input type="checkbox"/> |
| Listening to music | <input type="checkbox"/> | <input type="checkbox"/> |
| Reading            | <input type="checkbox"/> | <input type="checkbox"/> |
| Travelling         | <input type="checkbox"/> | <input type="checkbox"/> |
| Movies             | <input type="checkbox"/> | <input type="checkbox"/> |



- Restaurants
- Chatting
- Surfing the web

Other hobbies?

**5. How many text messages do you send per week/day?**

- Less than 2 per week
- 3-10 per week
- 2-5 per day
- 6-10 per day
- 11-20 per day
- over 20 per day

**6. Who pays your mobile phone bill?**

- Me myself
- My parents
- My employer
- Other, who?

**7. Do you agree with the following thesis?**

**I'll use MSM services only if...**

|                                  | Not at all               |                          |                          |                          | Fully describes me       | I don't know             |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| They are free                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| You can win something            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| They are entertaining            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I don't have anything else to do | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| My friends use them              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| They are useful for me           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**8. How much do you use the following TV-chats/TV-games?**

|                     | Not at all               | Once                     | Every now and then       | Weekly                   | Daily                    | I don't know             |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| YLE mobile games    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| MTV3 chat           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| MTV3 mobile games   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4deitti             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| UrheilChat          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sub chat            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sub TV mobile games | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**9. How much should messages send to TV-chats or TV-games cost in your opinion?**

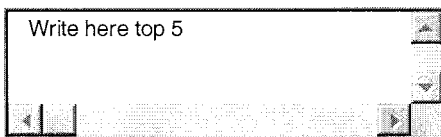
Cent

10. How often do you go to a bar or a club?

|            | Not at all               | Few times a year         | Monthly                  | Weekly                   | Daily                    | I don't know             |
|------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Bar        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Night club | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sports bar | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

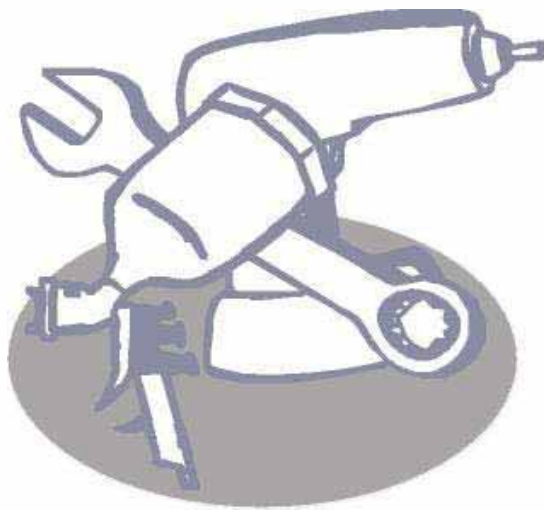
11. What is your favorite bar/night club/sports bar?

Write here top 5



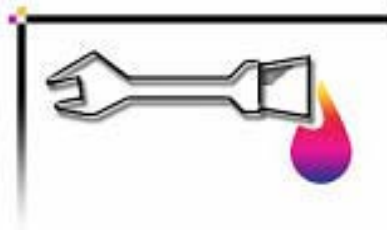
DIGITAL CONCEPT DESIGN  
BUSINESSPLAN VER. 3

# eTool - WebStore



12.10.2004

Jussi Hämäläinen  
Hanssi Härmä  
Anssi Litsilä  
Kalle Palokankare



2.3.2005

## **1. Executive Summary**

## **2. Business idea**

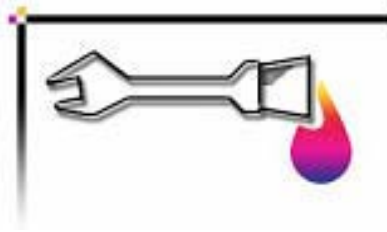
- 2.1 Central objectives
- 2.2 Vision, Mission, Philosophy
- 2.3 Core competences
- 2.4 Clients benefit
- 2.5 Products and targets for the vision

## **3. Management team**

- 3.1 Managing Director
- 3.2 Marketing manager
- 3.3 Quality manager
- 3.4 Web Designer/Developer

## **4. Marketing plan**

- 4.1 Research
  - 4.1.1 Inquiry
  - 4.1.2 Results
  - 4.1.3 Benefit
- 4.2 Competitors
  - 4.2.1 Biltema
  - 4.2.2 Motonet
  - 4.2.3 K-Rauta
  - 4.2.4 Rautia
- 4.3 Location
  - 4.3.1 Location towards competitors
  - 4.3.2 Location towards customers
  - 4.3.3 Location in Internet
- 4.4 SWOT- analysis
- 4.5 Our strategy in the markets
  - 4.5.1 Observing the needs
- 4.6 Delivery process
- 4.7 Our products and services structure
  - 4.7.1 Life cycle
  - 4.7.2 Development opportunities
  - 4.7.3 Competitiveness
  - 4.7.4 Duplication
- 4.8 Central processes
  - 4.8.1 Our company's central processes
  - 4.8.2 Most essential
- 4.9 How are we going to advance
  - 4.9.1 Customer relationship control
  - 4.9.2 Three year schedule



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- 4.9.3 Maintaining our position
- 4.10 Brand
  - 4.10.1 Name

## **5. Business model and organization**

- 5.1 Expense situation compared to the competitors
- 5.2 Needs for rationalize operating system
- 5.3 Investments developing company's action
- 5.4 Organizing business activity
  - 5.4.1 Organizations structure
  - 5.4.2 Possible organization changes

## **6. Financial plan**

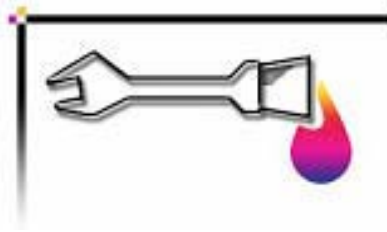
- 6.1 Incomes and costs
- 6.2 Costs during the 1<sup>st</sup> year
- 6.3 Costs and incomes during 2<sup>nd</sup> and 3<sup>rd</sup> year
- 6.4 Cost structure for a regular store
- 6.5 Cost structure for a web store
- 6.6 Profits
- 6.7 Retailers

## **7. Risks**

- 7.1 Risk TOP ten
- 7.2 Action points
- 7.3 General rules
  - 7.3.1 Risks management
  - 7.3.2 Risks versus opportunity
  - 7.3.3 Used barometers for the risk analysis
- 7.4 Outer risks
- 7.5 Inner Risks

## **8. Appendices**

- 8.1 Risk management
- 8.2 Result of the research
- 8.3 Service description for Biltema



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## 1. EXECUTIVE SUMMARY

### Partnership and Importers

We want partnerships which support our business. We need importers who deliver products to us and straight to our customers.

### Our Service Idea

Our business idea is to offer spray guns, painting tools and painting equipment for our clients easily through a web store on the Internet. We import some products and some we buy from other importers.

### Business Model

At the moment in Finland there is not any of this kind of service which delivers these specialized goods what we offer mostly for painting industry. Based on our research we can say that there exists a demand in the target group what we have. The quantity of buying on the Internet is growing.

Customers cannot make the order for products any time of day which our concept includes. Clients cannot compare different kind of products quickly. Customers are sometimes forced to travel long distances for making an order.

With our web store customer can easily make the orders any time of day. Through Internet they can easily compare the products and long distance travel for buying are not necessary anymore.

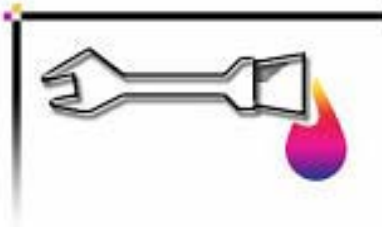
### Profitability

In Finland there is not any kind of web store concept as ours. Still there are working approximately 1866 similar stores without web store. We are aware that there is at least two competitors on Internet in Finland but their product concept differs from ours considerably.

Our main distributors are postal service and Matkahuolto's freight services. If the delivery is very urgent then we will use express delivery. Our prices are different to resellers and private consumers. Our target area is whole Finland. In the beginning we invest on direct advertisement, fairs, Internet and professional magazines.

Our pricing system is different for retailers and end users. Our costs consist mostly warehousing, advertising, web store upkeep and salaries. ETool will be slightly profitable at the end of the first year.

Approximately 6500€. It will employ three persons with 2500€ monthly salary. Overall budget will be 2.9 million Euros. Warehouse (items in warehouse) is the biggest single cost issue. About 1.3 million Euros in first year.



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## **2. BUSINESS IDEA**

### **2.1 Central objectives**

Our business is built on selling products through internet. Main categories of our products are placed on industry use. Our competencies are electric tools, spray guns, compressed air tools and protection accessories. These are the competencies, which we picked because they fit perfectly in web store. They are easy to transport and very quick to pack safely. We are going to import and resell products to professional use.

Our goal is to establish a company that runs fluently in few years. That means that we are going to develop our concept to condition that works without constant monitoring. Also we want to get a good and professional reputation on the web business. In the long distance schedule we are heading to become one of the leading Finnish web stores in this area.

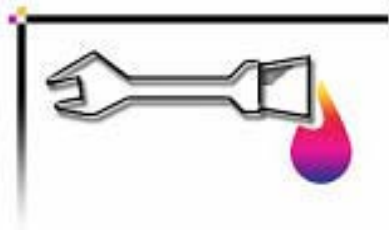
We want to be a strong web store in our business area. First we start our activity in Southwestern Finland and little by little spread it to whole Finland. Customers should think our company as a professional tools and equipment reseller for industry via Internet. If the customers have some kind of problem where they need help from professionals, they want to ask it from us. We want to be a web store which works to achieve improvement in its clients business.

### **2.2 Vision, mission, philosophy**

We are one of the first in this area in Finland. Our mission is to spread our work field also to internet. We are going to break the normal regional limits. Not only in few towns, are we going to manage our business in whole Finland. Our business is based in professional know-how and fair-play. We are heading not only in lower costs for customers but also in professional service. We are going to face the competitors with good quality and competitive prices.

We accomplished an inquiry, which gave us an positive answer to proceed the web store. Query included interest of buying and ordering through internet. Also we searched answers for most popular ways of buying products. In the beginning we are going to focus on basic subjects. Most important are customer service, marketing, selling, working in corporation network, connections with authorities and also questions concerning the staff. Legal questions are connected in all of these functions.





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### **2.3 Core competencies**

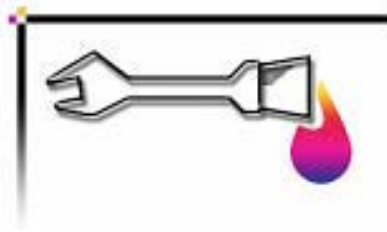
We are the only company working with this concept through web store in Finland for now. Most of the working web stores are specialized in different products than we are. Competitors slightly differ from our concept. While we purchased our query for our target customers we didn't hear that any other competitor would have been developing web store solution. With our cost structure solution we are able to lower the normal prices and offer products cheaper than regular store.

### **2.4 Clients benefit**

Customer can shop whenever and where ever he wants without hurry. Our web store is open 24 hours a day and serves customers giving information from products. Our clients won't have to call for anyone or fax anything. They can just simply go to our web store and order product(s) and choose how to pay and where we deliver the item(s). Not only the products but clients will also get professional help with using them. Our company's employees are specialized with the products and we have a databank for clients use.

### **2.5 Products and targets for the vision**

In the beginning our product range is quite small. We will follow what products from our concept are worth of selling via Internet and build the final product catalogue with help of results. Southwestern-Finland is the place where we aim our first marketing strike. After that we continue to whole Southern Finland. Our employees are well trained and continually in training for new products. Our know-how is based in both practice and theory. Without well-informed workers we don't have an advantage against our competitors.



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### **3. MANAGEMENT TEAM**

Our management team is build from four important parts. In our system we will constantly need Managing Director, Marketing Manager, Quality Manager and Web Designer/Developer.

#### **3.1 Managing Director**

He will answer from our logistics, public relations and finance.

#### **3.2 Marketing Manager**

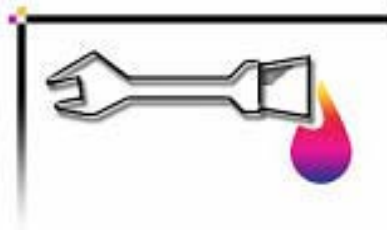
He maintains our marketing plan and develops our web store together with our Quality Manager and Web Designer.

#### **3.3 Quality Manager**

He answers from our products quality. It is very important to maintain our good service and high quality products. Also our workers will get constantly training for serving customers by our Quality Manager.

#### **3.4 Web Designer/Developer**

He answers from our web stores structure. He has the most important part in coding the pages and making the changes with our Marketing Manager and Quality Manager.



2.3.2005

## **4. MARKETING PLAN**

### **4.1 Research**

#### **4.1.1 Inquiry**

We made a quantitative market research among four of our most possible target groups. Groups were divided by knowledge from same branches companies. Carpenters, car painters, garages and electronic industry were the chosen branches. The hardest part was to decide which questions we would use to reach best answers to start to work with.

The inquiry was completed by phone. Everyone from our four person group had to get 25 answers so we could start to work with results.

#### **4.1.2 Results**

We had one hundred answers but only 25 from each branch. This is why we could not accomplish a valid research, but when we used all hundred results together we could see clearly the way these companies think.

(Check specific diagrams in appendices)

#### **4.1.3 Benefit**

The benefits in market research lay always in the hands of doers. We are the ones to figure out the resemblances and to work with researches results to get results.

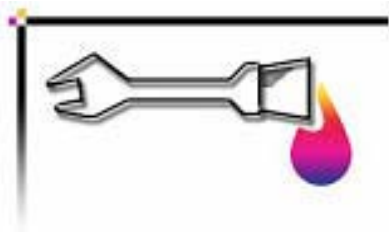
After working with our answers from hundred companies, we know much more about these four branches than before. The most important fact was to realize that all of these four branches were interested in hearing more and there really was a loop-hole for us.

## **4.2 Competitors**

Our main competitors are market leaders in our branch. For example Biltema, Motonet, K-Rauta and Rautia are large companies operating in Finland. From these four rivals only Biltema, which is the biggest tool seller in Finland via Internet, uses e-shop. K-Rauta is a large Kesko owned company, which naturally has expanded all over Finland as Rautia. Viewing the pages of K-Rauta and Rautia showed up that they use Internet for product presentation and customer contacts only.

### **4.2.1 Biltema**

Biltema has a large variety of products in their pages and clearly has invested in Internet sales. They have also eight different sales groups which eases the customers search for products. Sales groups are car, boat, free-time, home, technics, building, chemicals and tools. From these eight groups products that Biltema offers we sell only tools. (check service description in appendices)



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#### 4.2.2 Motonet

Motonet sells only spare parts for cars in their pages, but what we know, is that they keep up their good name by having this kind of extra service. Also Motonet gets their main sales from businesses all over Finland.

#### 4.2.3 K-Rauta

K-Rauta has 43 shops all over Finland and as being a Kesko owned company it has an image of a good and trustworthy brand . But also K-Rautas net pages are only to view products, not for e-shopping.

#### 4.2.4 Rautia

Rautia has over a hundred shops in Finland and is a hardware store that is based on new construction, repairs and devices which are used by constructors. K-Rauta and Rautia are each others toughest competitors.

### 4.3 Location

#### 4.3.1 Location towards competitors

We are completely an Internet based company, so our physical location does not make the biggest difference against our competitors. Our warehouse works as our office and it is located in Salo, Finland. Because of our warehouse in Salo, our physical location is in the middle of our main clientele. This eases a bit our order handling and transportation.

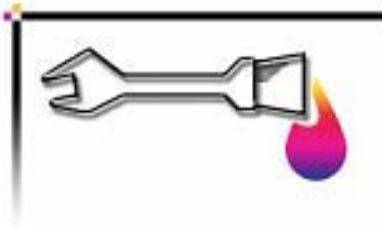
Location in the markets is the main thing that affects us. Our competitors have been quite a long time in the markets and that is why we have to make a good entrance, as everybody who wants company's best in the future.

#### 4.3.2 Location towards customers

We are going to start our advertising in southern Finland and that way launch our concept in to the main markets in whole Finland. Because of our business idea, we are the only company in this product area which offers its clients opportunity to order paint sprays, compressors, tools etc. from same place using Internet.

#### 4.3.3 Location in Internet

To be found in internet you need to do also some other operations than advertise. At first we need to have a domain which is related to our business. We came up with ETool.fi. It is free, related to our business directly and easy to remember. The html code must also be optimized so our web store will be found by search engines. Linking is effective way to make your webpage more popular and it is free or at least cheap. So we will try to link our page as widely ass possible.



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#### 4.4 SWOT-analysis

|                      |   |
|----------------------|---|
| <b>Strength</b>      | We can achieve a wider market area than normal shops by using Internet. For now we are the first ones to create customer relations by using e-shops within this area in Finland.  |
| <b>Weaknesses</b>    | We will not have any personnel contacts because we work through internet. We have to develop all from scratch including our image.  |
| <b>Opportunities</b> | We have a great opportunity to get noticeable market share from this area. With the market share we can build a bottom for leading the markets.   |
| <b>Threat's</b>      | We haven't decided the solution for our logistics between importer and web store. Our marketing plan could be directed to wrong customers. Because our image is unknown it could affect to our business decreasingly. Maybe we have selected wrong products to sell through Internet. |

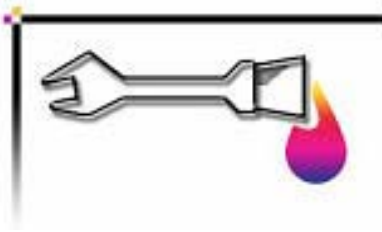
#### 4.5 Our strategy in the markets

At first we have to use offensive strategy to achieve our goals. In our case we have advantage by offering our clients something they have never been able to do, order for example paint sprays via Internet. This makes our offensive strategy act like backdoor strategy.

This backdoor strategy we use is going to be based on different prices and a new distribution channel. Distribution channel like Internet offers us an opportunity to make our competitors look like out of date and that way achieve our first goal, to take place in the markets. Our company's different pricing is based on importing and that way controlling prices. Those products, which we are going to import, are going to be internationally high class products. We will use normal prices on these high- class products and on the contrary lower prices on the products that our competitors have in their selection. We will have no problems lowering our prices because we will spare that by pricing our imported high- class products normally.

##### 4.5.1 Observing the needs

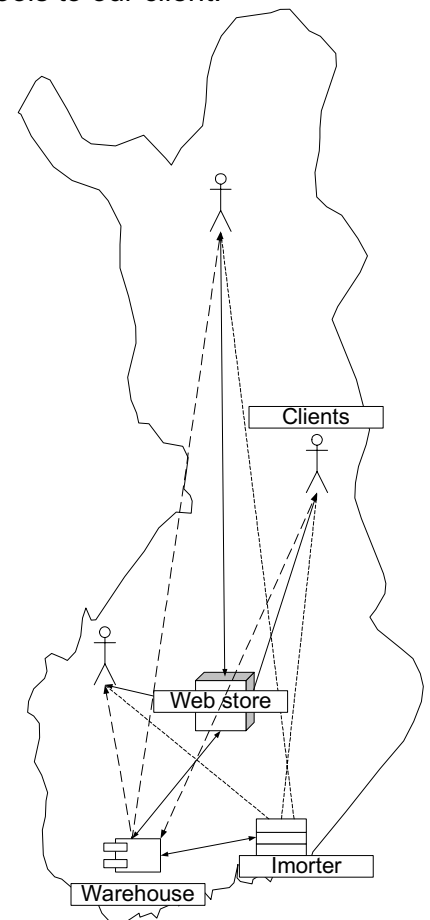
As we earlier mentioned that we purchased a research. We are planning to accomplish comparable research few times in two years period. We follow the developing needs of our customers and improve our service with it. Also we follow which products are our best ones. That way we can prune some unprofitable products and try some new ones.



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## 4.6 Delivery process

Client makes an order of the products via our web store. The order will go directly to our warehouse through our web store. From there the order goes to the importer if the product has been run out of the stock. Optionally the product is sent from the warehouse to the client. Depending the contract the importer can send the ordered tools directly to the client. Or then the importer can send the ordered tools to our warehouse from where we deliver the tools to our client.



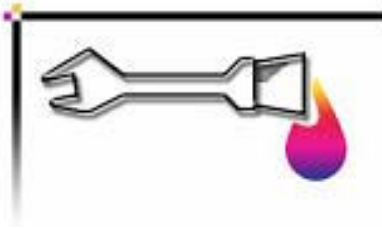
## 4.7 Our products and services structure

### 4.7.1 Life cycle

Life cycle of our products is in many cases quite long. Spare parts for products are constantly available. There are still exceptions which life cycle is very difficult to estimate. Our service has very long life cycle which is constantly building over the old know-how so the old knowledge is very important.

### 4.7.2 Development opportunities

There are coming every year new models from our tools in some products but we can't affect those. In our service we can affect in many



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different ways. We can develop our logistics, client service and product service.

#### **4.7.3 Competitiveness**

Our products are good-quality and well known. We strive to maintain competitive prices and fast delivering service.

#### **4.7.4 Duplication**

Our concept is very easy to copy. Especially for the competitors which has the same products. But our well planned logistics and e-business solutions are totally different subject. If the competitors company isn't willing to spread their business to the Internet it's not worth of trying.

### **4.8 Central processes and exploiting networks**

#### **4.8.1 Our company's central processes**

Our central processes are selling products through Internet, delivering ordered products quickly and give professional help to our clients.

#### **4.8.2 Most essential**

In the beginning the most essential thing is selling products through Internet, including also marketing. After we've got enough clients, professional service and quick delivery are stepping ahead.

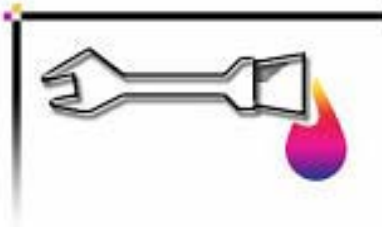
### **4.9 How we are going to advance**

The branch where we are launching our company in is full of competition and different kinds of companies that also want to take their shares. Our entrance must be good and it must be both fast and determined. So many companies have failed their company launch by just underestimating their target group. This is a mistake we are not about to accomplish.

Our launch to markets will take place with direct advertising by mail, e-mail and sending our product catalog to our target group companies. Also we are going to advertise in branches own magazines.

#### **4.9.1 Customer relationship control**

Our company's marketing manager handles the after sales marketing. Contacting clients also after the sale, gives them a picture of a caring company. Long term customer relations are always based on trust. This is why client respect and trust are the things we have thought



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most. CRM as collecting information for customer satisfaction is best to be performed at the same time with relationship control. Customer relationship control will take place in its different forms. To our client groups we have "tailored" few customer relationship styles.

Retailers will be contacted festively after their first contact. They will be informed of our high class products in a wider and more personal way. In this point we clear out that if something goes wrong with delivery or products, just contact directly our headquarters and we will correct it as soon as possible. Control will continue systematic in reasonable time.

Companies will be dealt as with retailers. We start to make a long time bond between us and new customer.

Consumers are contacted by post and e-mail. Also in this case we want to know how satisfied our customers are. In this after sales contact customers will also be informed the same thing as above.

#### **4.9.2 Three year schedule**

Company launch will take place in Southwestern Finland. In the beginning we center our strengths to achieve our place in the markets. The main target is to make profit quickly within the first two months. After we have achieved this objective, we can examine first feedback from the field. Constant client monitoring starts immediately.

After first year we have made fundamental state in Southwestern Finland. We will have experience from running full years marketing in that area, so it gives us wider view considering expanding.

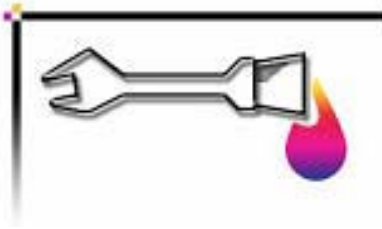
During second year we will widen our clientele towards biggest cities in Middle Finland. E-shops first moves will take place in cities like; Tampere and Jyväskylä. Advertisement will be sent to businesses in our target groups.

Third year we will keep on expanding in steady pace.

#### **4.9.3 Maintaining our position**

At the point where we have achieved our first goal and positioned as a new e-shop in our branch covering our costs, we are going to react offensively against competitors moves. At this point we must monitor our image and clear up that it is within our brands aim. If it is not, then we will have to change our positioning. Products within our branch are quite similar when thinking about the looks and result, but more efficient is the image and the way to make the products good sides





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clear to customers. In this kind of positioning, advertisement is only top of an iceberg.

#### **4.10 Brand**

Even a good product does not sell itself. Finding good products to sell is already a big task for a company but what is more important is to invest in creation of a brand. We have already done some work considering our brand creation; we have made an inquiry within our potential clients.

Inquiry that we made, made it clear that our target group is ready to change from ordering products at the local dealer to ordering products via Internet. The one thing we noticed clearly is that companies we called to are mainly small or medium sized and do not have as strict "methods" ordering, unlike larger companies might have. This is where we are going to have influence on. We must achieve a strong image which affects our target group's minds and creates desires. Naturally next step after achieving this strong image is to maintain it.

Good reputation of a brand is also one of the biggest things leading to seller-customer contact. For a new brand like us, there is a lot to do to achieve this good reputation for our brand. Offering high class products and well known products for customers is a good start to our company and promotes our objectives.

Brands profile is market relative and overall focused on public relations. Image of our brand is the main cause of worries when we are trying to reach our target group.

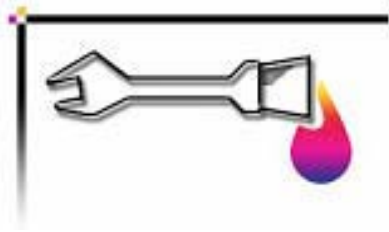
##### **4.10.1 Name**

We have already lined our positioning in the markets. After several months of hard thinking we have come up with name, eTool. Name is one of the main causes for a company to survive. You can not ever underestimate the power of a good brand name when talking about positioning. Good name should reflect all good sides in your company or product. At the best it can be a promise itself.

## **5. Business model and organization**

### **5.1 Expense situation compared to the competitors**

Our service is based on only to the Internet. Many competitors doesn't even use homepages and that's good advantage for us. Their service is based on different things than ours but still we have the same product concept. We have few small warehouses for popular and our own importing products but the idea is to use also our importers warehouses to minimize expenses. Our competitors store to their own warehouses with bigger expenses. Either we don't have to keep any introduction products on view because we operate as a web store. We just use electric material to present our catalogues.



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## 5.2 Needs for rationalize operating system

It is very important that everything in our corporation is well and clearly planned. Like our ordering and paying system. Those two has to work automatically when we start to operate. Also delivering is going to be very fluent to use both to us and to our clients.

## 5.3 Investments developing company's action

We have to train our employees constantly to new things in our business area. We have to build a working and rationalized web store for our trading center. We will also invest in marketing because we are a new company, which doesn't have an image yet.

## 5.4 Organizing business activity

### 5.4.1 Organizations structure

In the beginning it's going to be quite small. Because we are familiarizing the operation we don't have afford to any big employee investments. Basically we have four persons starting this business, which has different tasks to do. Managing director, marketing manager, quality manager and web designer. In addition to those we will have few person from four to eight working with us in logistics and customer service.

### 5.4.2 Possible organization changes

As we earlier mentioned we aren't totally sure from the employees amount. Maybe we will need more employees or less.

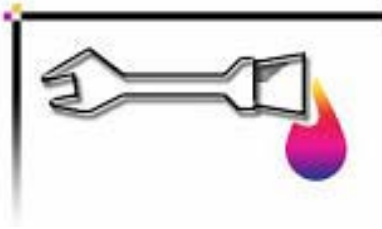
## 6. Financial plan

### 6.1 Incomes and Costs

At the beginning there are always many different expenses. We can categorise them to three groups. Some of them we have to pay only once (computers, furniture) when we launch our business, some few times (advertisement) in a year and some monthly (salaries, rent, warehouse).

### 6.2 Costs during the 1st year

1st month:



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We calculate that we will have approximately 92 500€ costs in first month. Here we have lots of subjects we have to pay only once. For example furniture and all computer equipments. In this kind of web business as we are talking about the advertisement is very important, so we will spend around 15500€ at the start just to get people to know our business (direct advertisement, business related magazines, search engines). We will give a lot of effort and use money especially to direct advertisement. The biggest single cost will be gathering the warehouse. It will contain about 41000€ worth of equipments and tools at the beginning. Demand may have effect to our warehouse.

2nd - 5th months:

Here we will observe the progress and work hard to accelerate our business towards to be profitable. Costs per month are about 90 000€. We have reserved 7500€ to salaries. That will contain salaries for 3 persons.

6th month:

For this month we have reserved more money than for other "regular" months (7000€ extra). It is because we planned to participate a fair. Actually when we are going to invest to fairs is open, because we naturally don't know yet when will be fairs held. So the 7000€ is available for any month.

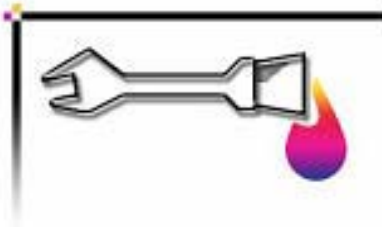
7th – 12th months:

Again regular months. Costs approximately 140 000€. Here the warehouse has growth to much larger than it was at the beginning of the year.

### 6.3 Costs and incomes during 2nd and 3rd year

Calculating the costs at first year shouldn't be too difficult. There might be some minor cost issues which we have missed, but overall we have a good clue about how much we are going to spend money. On the other hand we have incomes which are much harder to deal with. We made quit large inquiry and we found out that there is demand for this kind of service. Based on those numbers we were able to come up with some income calculations. Even though the incomes are based on some "facts" (how many of our possible customer thinks that they need this kind of web store and how much an average purchase would bring us money), are incomes still guesses.

So if we calculated right our incomes on first year there will be same kind of progress during the two next. Growth will slightly slow down during the time most likely, but still progress. If that happens we have succeeded. If have over estimated our incomes during the first year the result will naturally be worse. How worse it could be? Impossible to say. Anyway there will be growing at the beginning because we are



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talking so short time period and the business is brand new. So the question will be then: are we going to be profitable in second or third year?

**6.4 Cost structure for a regular store**

We interviewed an executive manager of a company that sells the same products as we are, but not through Internet. Questions were dealing with the structure of costs lifecycle from the selling products to reseller to selling product for end user.

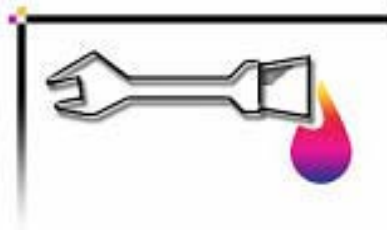
The first piece in lifecycle is that reseller buys the product from importer. In the second piece comes an advertisement cost which is in regular store smaller than in web store. Third part is the office costs including all office supplies. After office comes employees and warehousing costs which are quite big in regular store. Last piece is profit what store makes from business.

**6.5 Cost structure for a web store**

To make profit with our idea we should get as much turnover as the normal store. Working as a web store doesn't demand so much employees as a regular store. In our web structure we have added more sale costs because of the more affective advertisement. Then we have cut salary costs because we don't have so many salesman employees as the regular store.

Warehousing with regular stores costs will differ from our concept also. We don't have a regular store so it doesn't cause us costs. We will have a deal with our importers that they distribute our products straight to customers if the items have run out from us. That's why we have an opportunity to keep low warehouse costs that makes our products cheaper to end-users. With lower employees payment and warehousing costs we'll be able to create a price advantage that gives us a change to cheap product prices.

| <b>Regular Store</b> | <b>%</b> | <b>Web Store</b>       | <b>%</b> |
|----------------------|----------|------------------------|----------|
| Profit               | 10       | Profit                 | 10       |
| Warehousing          | 12       | <i>Price advantage</i> | 8        |
| Employees            | 13       | Warehousing            | 8        |
| Advertisement        | 5        | Employees              | 6        |
| Products             | 60       | Advertisement          | 10       |
|                      |          | Products               | 60       |



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### 6.6 Profits

Profits are calculated by estimate of how much we will sell to private customers and how much to retailers. The amount of sells starts from 90/120 per month (retailers/private) and increase every.

#### Customers

So if we sell 120 items at 1st month to private customers, it means that we get about 4 orders each day. When we think about our product category and the average prices of products, we can estimate that an average sell will be around 40€. This conclusion will give us 4800€ on first at first month from sales to private customers.

### 6.7 Retailers

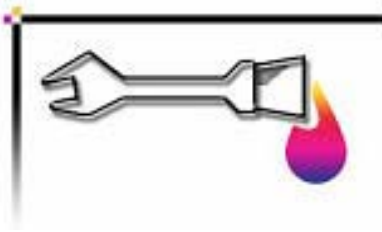
The amount of sales to retailers is estimated at the beginning to be about 90. It will mean about 2 orders per day. Because the orders are naturally larger than private customers make, we estimated an average order to be around 400€. This will mean that we will get 36 000€/month from retailers

| Salary costs       | 1kk  | 2kk  | 3kk  | 4kk  | 5kk  | 6kk  | 7kk  | 8kk  | 9kk  | 10kk | 11kk | 12kk |       |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| warehouse employee | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 30000 |
| www employee       | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 30000 |
| salesman           | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 2500 | 30000 |
|                    | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 7500 | 90000 |

| Profits                | 1kk   | 2kk   | 3kk   | 4kk   | 5kk    | 6kk    | 7kk    | 8kk    | 9kk    | 10kk   | 11kk   | 12kk   |         |
|------------------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| sales to retailers kpl | 90    | 110   | 130   | 150   | 170    | 190    | 210    | 230    | 250    | 270    | 290    | 310    | 2400    |
| sales to retailers €   | 36000 | 55000 | 65000 | 75000 | 85000  | 95000  | 105000 | 115000 | 125000 | 135000 | 145000 | 155000 | 1191000 |
| sales to customers kpl | 120   | 130   | 130   | 130   | 130    | 130    | 130    | 130    | 130    | 130    | 130    | 130    | 130     |
| sales to customers €   | 4800  | 6500  | 6500  | 6500  | 6500   | 6500   | 6500   | 6500   | 6500   | 6500   | 6500   | 6500   | 82800   |
|                        | 40800 | 61500 | 71500 | 81500 | 91500  | 101500 | 111500 | 121500 | 131500 | 141500 | 151500 | 161500 | 1273800 |
| profit (15%)           | 46920 | 70725 | 82225 | 93725 | 105225 | 116725 | 128225 | 139725 | 151225 | 162725 | 174225 | 185725 | 1464870 |

| Common costs | 1kk  | 2kk | 3kk | 4kk | 5kk | 6kk | 7kk | 8kk | 9kk | 10kk | 11kk | 12kk |      |
|--------------|------|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|
| insurance    | 420  | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420  | 420  | 420  | 5040 |
| meeting      | 100  | 0   | 100 | 0   | 100 | 0   | 100 | 0   | 100 | 0    | 100  | 0    | 600  |
| law services | 500  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 500  |
| counting     | 100  | 100 | 100 | 100 | 200 | 200 | 200 | 200 | 300 | 300  | 300  | 300  | 2400 |
|              | 1120 | 520 | 620 | 520 | 720 | 620 | 720 | 620 | 820 | 720  | 820  | 720  | 8540 |

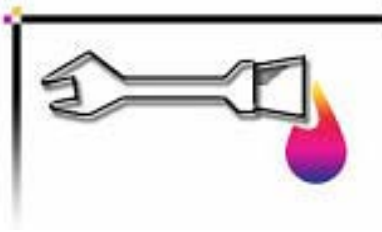
| Marketing costs            | 1kk   | 2kk | 3kk  | 4kk  | 5kk  | 6kk  | 7kk  | 8kk  | 9kk | 10kk | 11kk | 12kk |       |
|----------------------------|-------|-----|------|------|------|------|------|------|-----|------|------|------|-------|
| fairs                      | 0     | 0   | 0    | 0    | 0    | 7000 | 0    | 0    | 0   | 0    | 0    | 0    | 7000  |
| direct advertisement       | 2000  | 0   | 0    | 2000 | 0    | 0    | 2000 | 0    | 0   | 2000 | 0    | 0    | 8000  |
| business related magazines | 2500  | 0   | 2500 | 0    | 2500 | 0    | 0    | 2500 | 0   | 0    | 2500 | 0    | 12500 |
| search engines             | 500   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0   | 0    | 0    | 0    | 500   |
| advertisement agency       | 10000 | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0   | 0    | 0    | 0    | 10000 |
| representative             | 500   | 0   | 0    | 0    | 500  | 0    | 0    | 0    | 500 | 0    | 0    | 1000 | 2500  |
|                            | 15500 | 0   | 2500 | 2000 | 3000 | 7000 | 2000 | 2500 | 500 | 2000 | 2500 | 1000 | 40500 |



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| Overall costs/Profits | 1kk    | 2kk   | 3kk   | 4kk   | 5kk    | 6kk    | 7kk    | 8kk    | 9kk    | 10kk   | 11kk   | 12kk   |         |
|-----------------------|--------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Admin costs           | 68460  | 63130 | 73130 | 83180 | 93130  | 103130 | 113180 | 123130 | 133130 | 143130 | 153180 | 163330 | 1319740 |
| Marketing costs       | 15500  | 0     | 2500  | 2000  | 3000   | 7000   | 2000   | 2500   | 500    | 2000   | 2500   | 1000   | 40500   |
| Salary costs          | 7500   | 7500  | 7500  | 7500  | 7500   | 7500   | 7500   | 7500   | 7500   | 7500   | 7500   | 7500   | 90000   |
| Common costs          | 1120   | 520   | 620   | 520   | 720    | 620    | 720    | 620    | 820    | 720    | 820    | 720    | 8540    |
|                       | 92580  | 71150 | 83750 | 93200 | 104350 | 118250 | 123400 | 133750 | 141950 | 153350 | 164000 | 172550 | 1458780 |
| Sales                 | 46920  | 70725 | 82225 | 93725 | 105225 | 116725 | 128225 | 139725 | 151225 | 162725 | 174225 | 185725 | 1464870 |
| Profit                | -45660 | -425  | -1525 | 525   | 875    | -1525  | 4825   | 5975   | 9275   | 9375   | 10225  | 13175  | 6090    |

| Admin costs           | 1kk   | 2kk   | 3kk   | 4kk   | 5kk   | 6kk    | 7kk    | 8kk    | 9kk    | 10kk   | 11kk   | 12kk   |         |
|-----------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|---------|
| furnitures            | 10000 | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 10000   |
| office equipment      | 500   | 0     | 0     | 50    | 0     | 0      | 50     | 0      | 0      | 0      | 50     | 0      | 650     |
| computers and related | 5000  | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 200    | 5200    |
| software              | 5000  | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 5000    |
| internet              | 130   | 50    | 50    | 50    | 50    | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 680     |
| rent                  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 12000   |
| electricity           | 80    | 80    | 80    | 80    | 80    | 80     | 80     | 80     | 80     | 80     | 80     | 80     | 960     |
| phone                 | 200   | 200   | 200   | 200   | 200   | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 2400    |
| magazines             | 200   | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 200     |
| travel                | 150   | 150   | 150   | 150   | 150   | 150    | 150    | 150    | 150    | 150    | 150    | 150    | 1800    |
| post                  | 50    | 50    | 50    | 50    | 50    | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 600     |
| warehouse equipment   | 5000  | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 5000    |
| server space+domain   | 350   | 100   | 100   | 100   | 100   | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 1450    |
| warehouse             | 40800 | 61500 | 71500 | 81500 | 91500 | 101500 | 111500 | 121500 | 131500 | 141500 | 151500 | 161500 | 1273800 |
|                       | 68460 | 63130 | 73130 | 83180 | 93130 | 103130 | 113180 | 123130 | 133130 | 143130 | 153180 | 163330 | 1319740 |



2.3.2005

**7. RISKS**

**7.1. Risk TOP Ten**

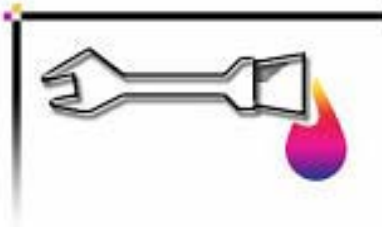
Risks, which the member of the project has been found out, have to prioritize in somehow. In that way we can allocate our time and resources much better inside of the project. Thus, “Risk TOP-ten ” table has been generated to track the importance of each risk. You can see that table below.

In the table there is a name of each risk. There is no sense for only having the name of the risk and position of it in the table. Some kind of explanation for each risk is advisable thus one column for “Justification of the place” is added into the table.

| Name of the risk                    | Justification of the place.   | Place now. | Place in the previous | Weeks in the list |
|-------------------------------------|---|------------|-----------------------|-------------------|
| Need of our service                 | Do we have a business?  | 1          | ...                   | 1                 |
| Portfolio correctness               | Only the concept does not sell.   | 2          |                       | 1                 |
| Logistic problem                    | The products have to get to the customer ASAP.                                    | 3          |                       | 1                 |
| Marketing campaign correctness      | Even if we have good concept but we don't marketing that right, nobody knows.     | 4          |                       | 1                 |
| Graphical user interface competence | Visual appearance is one of important issue for the customer. UI has to be clear. | 5          |                       | 1                 |

**7.2 Action Points**

We have found out some risks already, which might affect our time, schedule overall, success and budget. Below you can see the table where we have tried to list some of the main important risks. Also some actions have been generated for those risks. Meaning some explanation what are required in order to avoid the risk. It is good to mention also the status of the each risk. Is it high, low or minor? Some methods how we are going to trigger the status of the risk has to be mentioned also. In that way we will have some kind of baseline from where to start to monitor the risk. Information who owns the risk is worth of mention also.

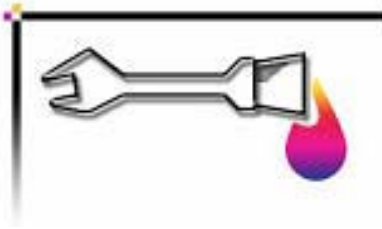


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This table has to be updated more often than other information in this analysis document. The best possible time for this is in the project weekly meetings.

| Risks  | Actions  | Status | Trigger  | Responsibility |
|--|--|--------|--|----------------|
| How much end-users will use our web store. Is there real benefit to use the service?   | We interviewed about one hundred companies. So we have quite good knowledge already what the companies want.     | Open   | We will add an automatic counter into our web side so in that way we can monitor how much people uses our service. | All            |
| Are we selling the right products in a right way?  | The R&D budget has to be as low as possible in the first phase. Too much effort is not to be wasted immediately. |        | We are listening our customer feedback from the field all the time.  | All            |
| There could some problems in logistics. Stocks can be overbooked.  | Special effort is needed for forecasting the real tools demand.  |        | Only the most ordered products are to be stored in warehouse.  | All            |
| Is the marketing campaign right. Are the methods to be used the right ones?  | We base our knowledge to previous marketing campaign in the field.   |        | We will embed the marketing questionnaire into our web pages so that our customer can fill that.                   | Hanssi         |
| We don't have a lot of experience in graphical user interface. Thus, excessive time may be spent on user interface development | We will supply the development work from outside.  |        | We will arrange the FUT testing for the audience. They will give a feedback to us.                                 | Kalle          |





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### **7.3 General Rules**

#### **7.3.1 Risks management**

All members who belong to this project will hold a meeting every month. In the meetings members will check the status of every risk item. Beginning of every meeting the chairman will share the risk analysis document for everybody in the meeting. By looking through the status of the risks from the document the members can get the overall feedback. If something has to be done then action is generated.

Nowadays there are many kinds of trading in the network already. Like a traditional mail-order you can order goods from the shop located in the network. You pay your purchases either by cash on delivery when calling for goods or by bank transfer beforehand.

Newer method is to write down just your number of your credit card. This is the behaviour especially among foreign web stores. However when we are talking about sending the credit card information via network there are some conflict in assumptions and opinions. Some think that this kind of working method is safe, some is warning that the network is leaking out when whoever capable hacker can catch your number of your credit card and use it for him/her own purchases.

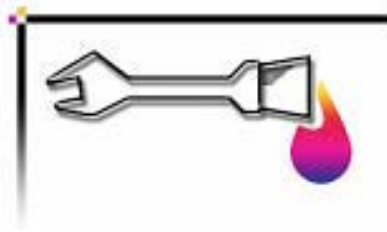
Additionally, different credit card companies have their own rules for this matter. Some of them permit the payment in the network with domestic sellers and some deny all. Some permit all kind of trade but only with buyer risk.

#### **7.3.2. Risk versus opportunity**

The more undesirable the possible outcome the more careful we are in our decision making process. The worst risk we are subjected to is the one we are not aware of or are misinformed about. This is typically where the most harm and damage is done.

Risk and opportunity go hand in hand. Many development projects strive to advance current capabilities and achieve something that hasn't been done before as we do. The opportunity for advancement cannot be achieved without taking risk.

Risk in itself is not bad; risk is essential to progress, and failure is often a key part of learning. But we must learn to balance the possible negative consequences of risk against the potential benefits of its associated opportunity.



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### 7.3.3. Used barometers for the risk analysis

Members of the project executed inquiry among our target groups. We interviewed almost 100 hundred companies altogether 25 from each target groups and each from our group interviewed one target group. We used specific questionnaire for our inquiry where we added answers for our questions. The questions were:

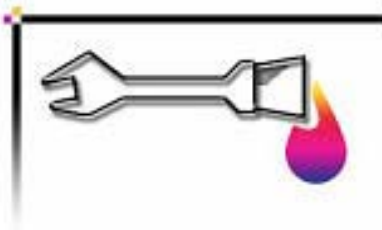
- Way the company orders
- Interest of using web store
- Influence of well know items
- Demand of delivery speed
- Need to order after working hours

You can see the result from the Concept plan document.

### 7.4 Outer risks

Outer risks are mainly risks, which are related to our customers. We have used certain phases in our risk process. Those are:

1. Plan, good basis for risk management is to plan the risk and their management already beforehand.
2. Track, planned risk items are to be monitoring continuously during the development phase.
3. Control, risks are to control all the time so that they are not coming a problem.
4. Identify, risks are to be identified and of course identify are the risks coming already a problem.
5. Analyze, if the risk is come a problem then the problem is to be analyzed.
6. Communicate among project persons what comes to the risks and their management.



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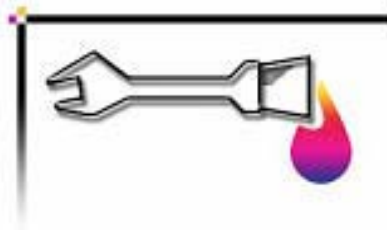


In the outer risk table we have a certain elements which illustrates the methods of analysis intended to identify and minimize unwanted performance or potential failures which have significant consequences affecting our service performance in its intended application.

Before go further I would like to emphasize importance of probability assessment.

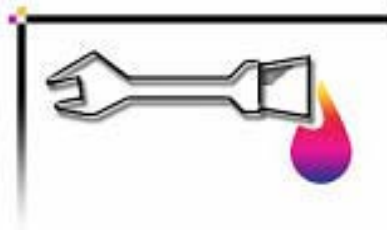
A qualitative or quantitative assessment of how frequently the failure mode is projected to occur as a result of the specific cause. Where possible, probability of occurrence is based on available data on the specific cause. When number of failures due to specific cause cannot be estimated then it is acceptable to examine similar concepts from some another area. If it cannot be estimated, the probability should be considered high. The following table is a description of a ten level probability of occurrence ranking system. As noted in the severity ranking description, the number of levels in a ranking system is not as important as creating an effective strata.

| Ranking Possible Failure Rates |                | Probability of Failure |
|--------------------------------|----------------|------------------------|
| 10                             | $\geq 1$ in 2  | Almost certain.        |
| 9                              | 1 in 3         | Very high.             |
| 8                              | 1 in 8         | High.                  |
| 7                              | 1 in 20        | Moderately high.       |
| 6                              | 1 in 80        | Medium                 |
| 5                              | 1 in 400       | Low                    |
| 4                              | 1 in 2,000     | Slight                 |
| 3                              | 1 in 15,000    | Very slight.           |
| 2                              | 1 in 150,000   | Remote.                |
| 1                              | 1 in 1,500,000 | Almost impossible.     |



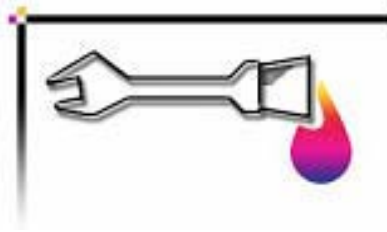
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|                     | <b>Need of our service</b>   |
|---------------------|--|
| Description         | How much end-users will use our web store. Is there real benefit to use the service? There is a group of 70% from our target group that's are neutral or very interested to use the service. So I can say that there is a hunger to use our service in the market place. |
| Time                | It is very easy to see the risk influence already in the beginning of the project. If our provided service is not that what our end users want the people do not use the service at all.   |
| Probability         | 7  |
| Influence           | This is not affecting to the project time schedule.  |
| Prevention          | We interviewed about one hundred companies. So we have quite good knowledge already what the companies want.   |
| Alarm limit         | We will add an automatic counter into our web side so in that way we can monitor how much people uses our service.   |
| Recovery            | We will change our portfolio based on customer feedback. Or then we will change the selling type.  |
| Responsibility      | Hanssi&Kalle will monitor the usability of the service.  |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (Will be updated along with project process)   |



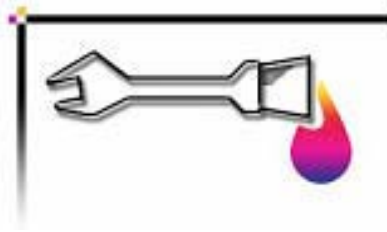
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|                     | <b>Portfolio correctness</b>  |
|---------------------|---|
| Description         | Our portfolio will be the same as using traditional method. Need for our products will always be there. But which products are suitable to sell via web service is another question. The need for our products is recognized during our marketing campaign. |
| Time                | It is very easy to see the effect already in the beginning of the project. If our provided products are not that what our end users wants the people do not visit our web service anymore.  |
| Probability         | 6   |
| Influence           | This is not affecting to the project time schedule.   |
| Prevention          | We interviewed about one hundred companies. So we have quite good knowledge already what the companies want.  |
| Alarm limit         | We will add an automatic counter into our web side so in that way we can monitor how much people uses our service. Also there will be form for feedback.  |
| Recovery            | We will change our portfolio based on customer feedback.  |
| Responsibility      | Hanssi&Kalle will monitor the usability of the service.   |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process)  |



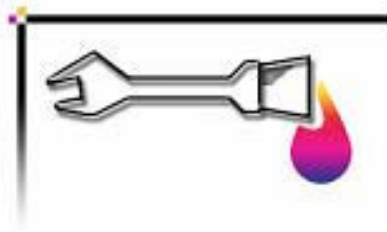
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|                     | <b>Logistic problem</b>  |
|---------------------|--|
| Description         | There could be some problems in logistics. Delivery times might delay. Stocks can be overbooked. Special effort is needed for forecasting the real tools demand. |
| Time                | We might forecast the demand of the certain product wrongly. So it can happen in anytime in the service lifetime.  |
| Probability         | 8  |
| Influence           | This is not affecting to the project time schedule.  |
| Prevention          | We have to find out the most used and wanted products. Good relationship with "Matkahuolto"  |
| Alarm limit         | We will add an automatic counter into our web side. We can know how much and which products our customer order.  |
| Recovery            | We decrease quantity of products, which are lining in the stock.   |
| Responsibility      | Hanssi&Kalle will monitor the usability of the service.  |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process)                               |



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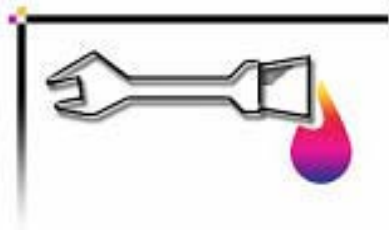
|                     | <b>Marketing campaign correctness</b>   |
|---------------------|---|
| Description         | How efficient our marketing campaign is. Are we marketing the service by using right methods?                                       |
| Time                | We cannot see the marketing impact for the sales figures so well. At least not very early.  |
| Probability         | 6   |
| Influence           | This is not affecting to the project time schedule. But the overall project budget of course.                                       |
| Prevention          | We will embed the marketing questionnaire into our web pages so that our customer can fill that. In that way we can know from where |
| Alarm limit         | .If over 50% out of 100% answers shows that the first contact to the service has been found out from somewhere else than we expect. |
| Recovery            | We change the marketing campaign.   |
| Responsibility      | Hanssi&Kalle will monitor the usability of the service.   |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process)  |



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|                     | <b>Graphical user interface competence</b>  |
|---------------------|---|
| Description         | We don't have a lot of experience in graphical user interface. Thus, excessive time may be spent on user interface development. The first impression of our service is achieved via our graphical user interface. The interface should be clear and understandable so that the user would have easy to use the service. |
| Time                | We should provide a possibility to our customer to give a feedback about the web page design. So, in that way we receive the feedback as soon as possible.  |
| Probability         | 5   |
| Influence           | This might affect to our time schedule and cost.  |
| Prevention          | We will outsource the web page design from somewhere else.  |
| Alarm limit         | By checking the feedback what the customer has been given we can know the overall feeling.  |
| Recovery            | It is very easy to change the UI of the web page. But before changing the UI we should be aware of the root cause why changing the UI.  |
| Responsibility      | Kalle will monitor the usability of the service.  |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process)  |





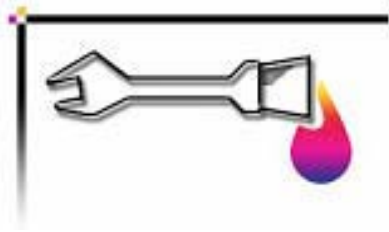
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### 7.5 Inner Risks

Inner risks are related to the project organization and also to the target system. Most often the project manager is responsible to track the risks.

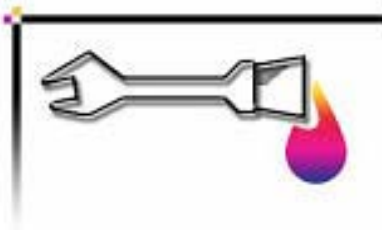
Below we have listed and analyzed project's inner risks.

|                     | <b>Competence</b>  |
|---------------------|--|
| Description         | Do we have enough competence in our project to run this web store.   |
| Time                | We can see our skills in very early phase.   |
| Probability         | 5  |
| Influence           | This might affect to our time schedule and cost.   |
| Prevention          | Some training is needed if it seems so.  |
| Alarm limit         | When our hands are whipped up to the sky   |
| Recovery            | We have to supply the knowledge from elsewhere   |
| Responsibility      | Project Manager  |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process) |



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|                     | <b>Time limitation</b>  |
|---------------------|---|
| Description         | How well we can manage the time. All we have school where to study as well as working place where to work.  |
| Time                | If the business does not run as it should then we have to react for that. That will affect our time spending of course and it might be so that we (project persons) do not have time for that |
| Probability         | 5   |
| Influence           | That might affect our future planning. We have to stop our school and job.  |
| Prevention          | Good planning.  |
| Alarm limit         | When our hands are whipped up to the sky  |
| Recovery            | We have to supply the manpower from elsewhere   |
| Responsibility      | Project Manager   |
| Explanations (Date) | This will describe what has happened for the risk and what has been done to the risk. (will be updated along with project process)  |



2.3.2005

8. APPENDICES

8.1 RISK MANAGEMENT

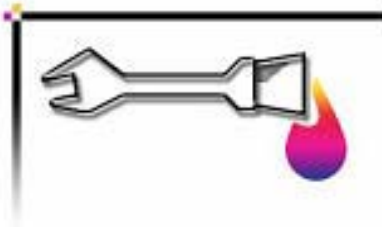
| Phase 0 - Phase 4 status |  | Phase 0 - Phase 4 status |          |  |           |           |  |  |  |
|--------------------------|--|--------------------------|----------|--|-----------|-----------|--|--|--|
| #                        | Risk   | Probability              | Severity |  |           |           |  |  |  |
| Preventive action        |  | Trigger                  |          |  |           |           |  |  |  |
| Actions                  |  | Responsibility           | Deadline |  |           |           |  |  |  |
| Contingency Plan         |  | Status                   |          |  |           |           |  |  |  |
| 1                        | We don't have a lot of experience in graphical user interface. Thus, excessive time may be spent on user interface development | M                        | H        | We will supply the development work from outside.  | Web Store | as listed | We will arrange the FUT testing for the audience. They will give a feedback to us.                                 |  |  |
| 2                        | There could be some problems in logistics. Stocks can be overbooked.   | H                        | H        | Special effort is needed for forecasting the real tools demand.  | Web Store |           | Only the most ordered products are to be stored in warehouse.  |  |  |
| 3                        | How much end-users will use our web store. Is there real benefit to use the service?   | H                        | H        | We interviewed about one hundred companies. So we have quite good knowledge already what the companies want.     | Web Store |           | We will add an automatic counter into our web side so in that way we can monitor how much people uses our service. |  |  |
| 4                        | Is the marketing campaign right. Are the methods to be used the right ones?  | M                        |          | We base our knowledge to previous marketing campaign in the field.   | Web Store |           | We will embed the marketing questionnaire into our web pages so that our customer can fill that.                   |  |  |
| 5                        | Time schedule? Now it's two years!!!   | L                        |          |  | Web Store |           |  |  |  |
| 6                        | Are we selling the right products and in a right way?  | H                        |          | The R&D budget has to be as low as possible in the first phase. Too much effort is not to be wasted immediately. | Web Store |           | We are listening our customer feedback from the field all the time.  |  |  |
| 7                        | Competence   | M                        |          | Do we have enough competence in our project to run this web store.   | Web Store |           |  |  |  |
| 8                        | Time limitation  | M                        |          | How well we can manage the time. All we have school where to study as well as working place where to work.       | Web Store |           |  |  |  |

Updated by: Jussel Zhanaliev

Updated information will be marked in Blue

2.8.2004

Risk Management for Web Store Project

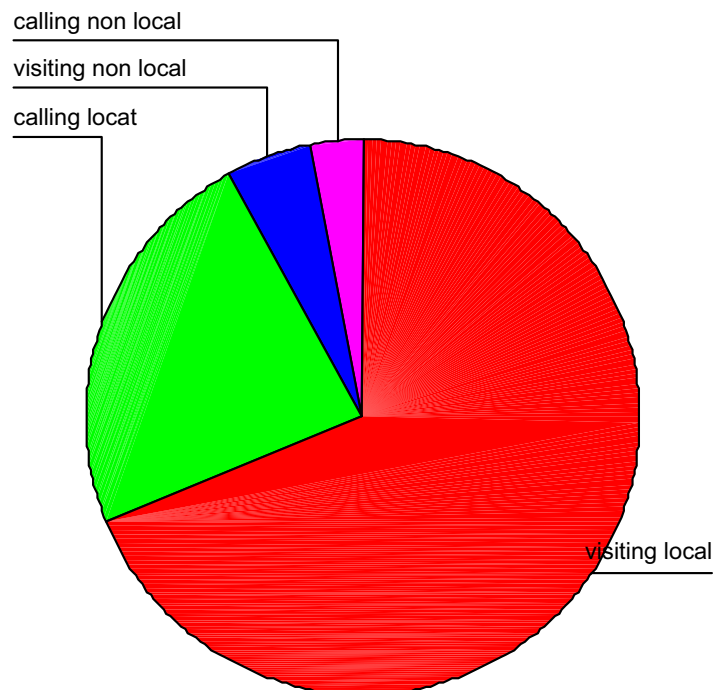


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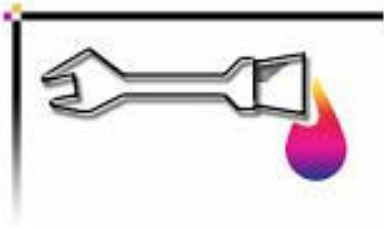
## 8.2 RESULT OF THE RESEARCH

### way the company orders

|       |                                       | Frequency | Percent | Cumulative Percent |
|-------|---------------------------------------|-----------|---------|--------------------|
| Valid | visiting local reseller               | 69        | 69,0    | 69,0               |
|       | ordering by phone from local reseller | 23        | 23,0    | 92,0               |
|       | visiting other reselle                | 5         | 5,0     | 97,0               |
|       | by phone from other reseller          | 3         | 3,0     | 100,0              |
|       | Total                                 | 100       | 100,0   |                    |

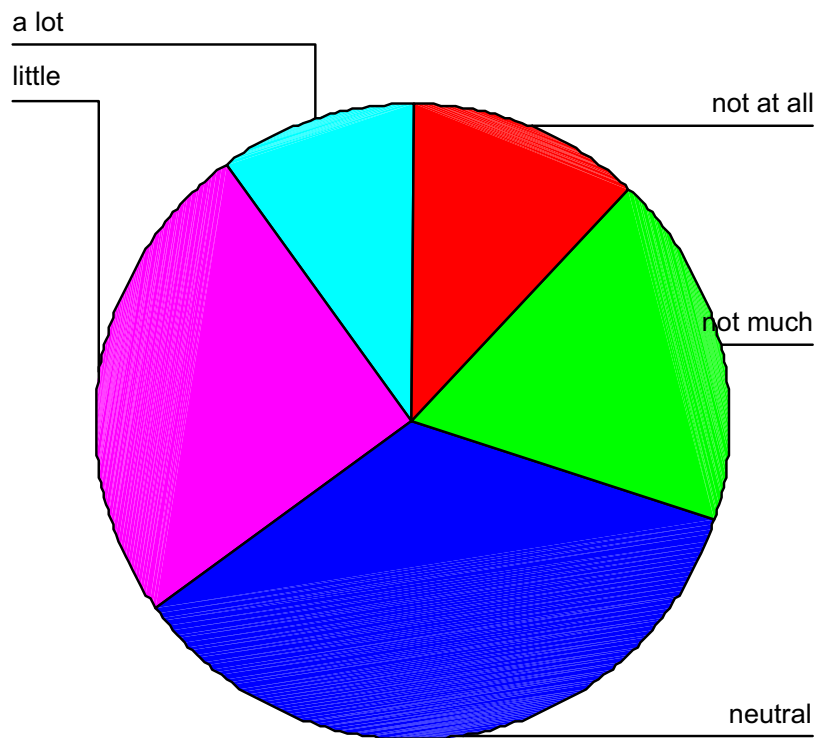


Clearly we can see that our potential users are ordering these products by visiting and calling local reseller.

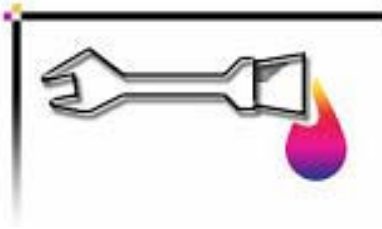


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| interest of using webstore |            |           |         |                    |
|----------------------------|------------|-----------|---------|--------------------|
|                            |            | Frequency | Percent | Cumulative Percent |
| Valid                      | not at all | 12        | 12,0    | 12,0               |
|                            | not much   | 18        | 18,0    | 30,0               |
|                            | neutral    | 35        | 35,0    | 65,0               |
|                            | little     | 25        | 25,0    | 90,0               |
|                            | a lot      | 10        | 10,0    | 100,0              |
| Total                      |            | 100       | 100,0   |                    |

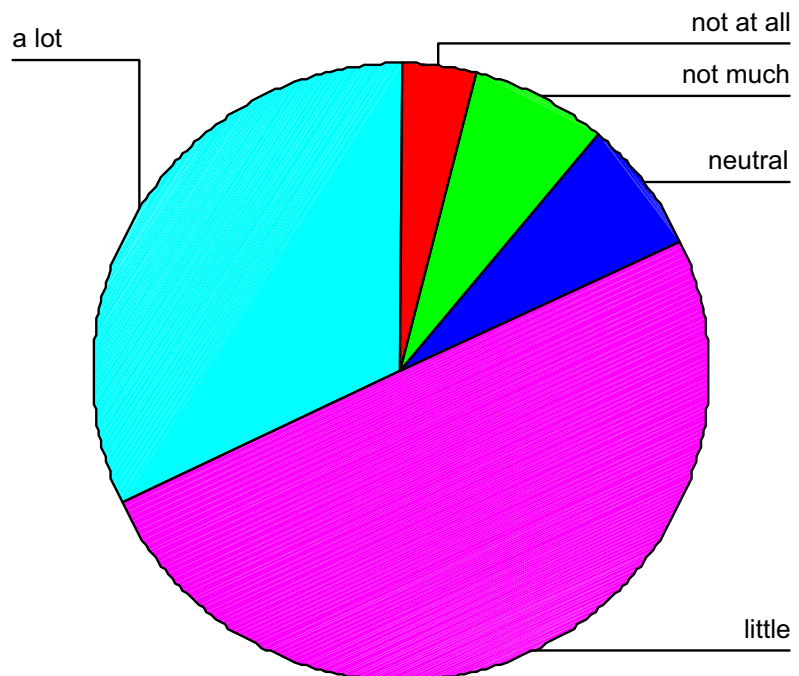


There is a group of 70% from our target group that fits between neutral and very interested.

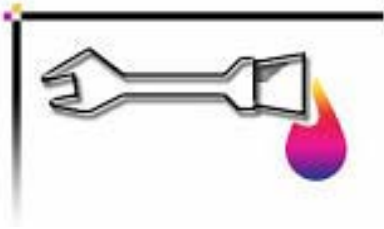


2.3.2005

| influence of well known items |            |           |         |                    |
|-------------------------------|------------|-----------|---------|--------------------|
|                               |            | Frequency | Percent | Cumulative Percent |
| Valid                         | not at all | 4         | 4,0     | 4,0                |
|                               | not much   | 7         | 7,0     | 11,0               |
|                               | neutral    | 7         | 7,0     | 18,0               |
|                               | little     | 50        | 50,0    | 68,0               |
|                               | a lot      | 32        | 32,0    | 100,0              |
| Total                         |            | 100       | 100,0   |                    |

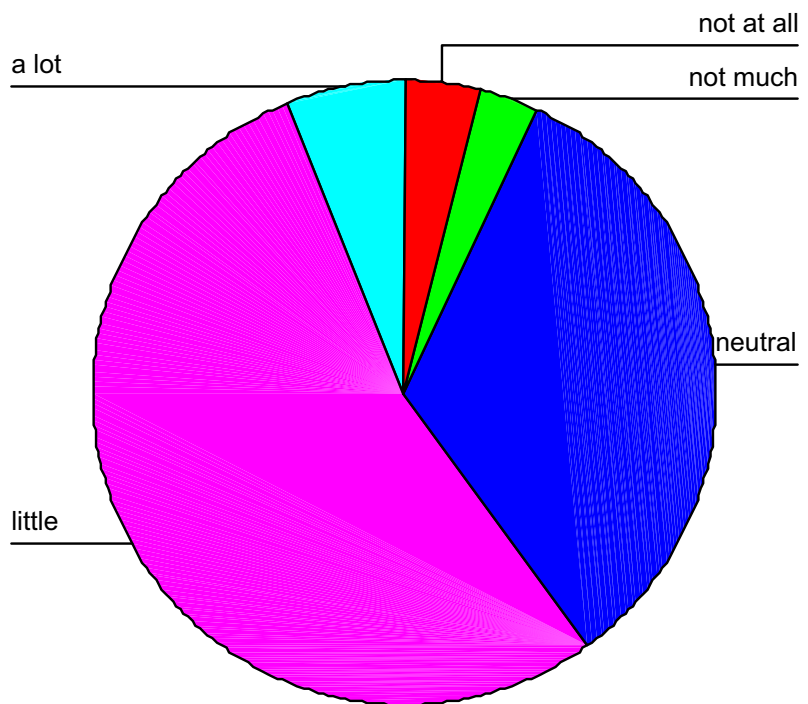


Over 80% think that well known items are easier to order

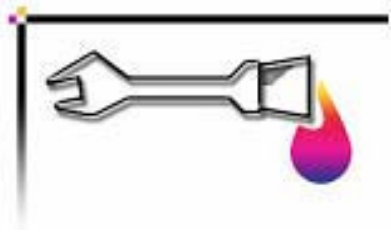


2.3.2005

| demand of delivery speed |            |           |         |                    |
|--------------------------|------------|-----------|---------|--------------------|
|                          |            | Frequency | Percent | Cumulative Percent |
| Valid                    | not at all | 4         | 4,0     | 4,0                |
|                          | not much   | 3         | 3,0     | 7,0                |
|                          | neutral    | 33        | 33,0    | 40,0               |
|                          | little     | 54        | 54,0    | 94,0               |
|                          | a lot      | 6         | 6,0     | 100,0              |
| Total                    |            | 100       | 100,0   |                    |

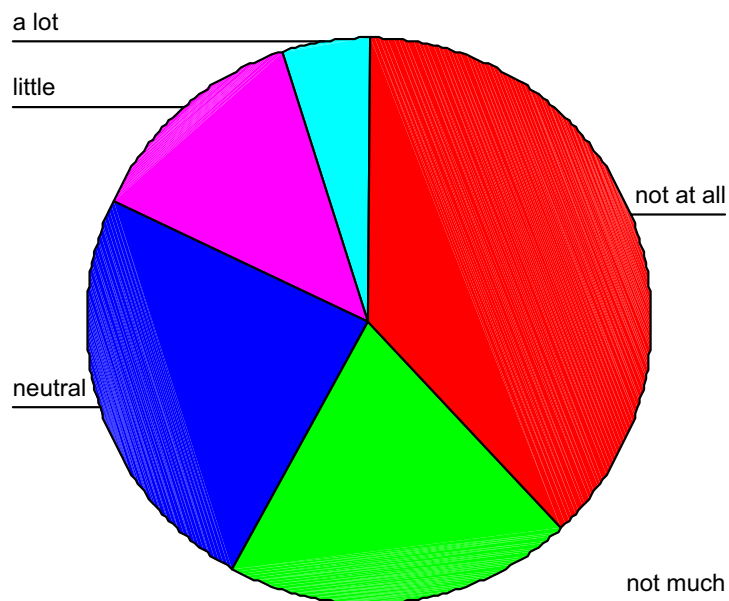


Only 7% think that delivery speed is at least not so important



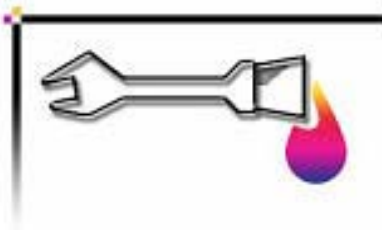
2.3.2005

| need to order after working hours |            |           |         |                    |
|-----------------------------------|------------|-----------|---------|--------------------|
|                                   |            | Frequency | Percent | Cumulative Percent |
| Valid                             | not at all | 38        | 38,0    | 38,0               |
|                                   | not much   | 20        | 20,0    | 58,0               |
|                                   | neutral    | 24        | 24,0    | 82,0               |
|                                   | little     | 13        | 13,0    | 95,0               |
|                                   | a lot      | 5         | 5,0     | 100,0              |
| Total                             |            | 100       | 100,0   |                    |



Almost 60% think that there is no need to order after working hours. 24% are in between and only 18% thinks that there is need to order after working hours.





2.3.2005

### 8.3 SERVICE DESCRIPTION FOR BILTEMA

- WHY** **What is the need/problem behind the service? Why are people using it?**  
Customers can easily browse the collection of spare parts and accessories for many car-brands and models as well as tools by web store. The range of products also includes bike and boat accessories, computer and mobile phone fittings, home and leisure articles. Web store is an option for ordering mail orders by fax or phone.
- WHO** **Who are the users? What kind of people are they? Which are the most important user groups?**  
Sweden, Denmark, Finland, Norway, Estonia and Russia are the countries in which it is possible now to make an order by web store. Biltema sells its products to the customer who doesn't demand any special brand. Customer values that the products are useful and profitable to buy.
- WHAT** **Shortly summaries the basic idea of the service.**  
Biltema web store is a service which sells spare parts and accessories for many car-brands and models as well as tools for its costumers by internet. Post-offices and bus services deliver products.
- HOW** **How are the users using the service? Describe most common use cases.**  
Case - John  
John is going get a longer adsl-cable for his computer because its old wire is too short. He has also use for a drilling machine so that he can pull the wire threw the wall. He starts to search from the internet a place where he can find those both and runs into Biltema's web store.  
John notices the cheap prices and decides to order them from there by post. In few days he gets an notice from the post that the products has arrived to the nearest post-office. He picks them up and starts drilling and finishes. After a while of using the products he notices that the quality is very good and the price was very low. In the future he is going to order those products what he needs from Biltema web store.
- €€€** **Is someone making money with the concept, how?**  
Biltema is working by franchising system threw the countries and the owners are Sten-Åke Lindholm(founder) with his partners. They are getting most benefit from the concept.

# Business Plan

## 2005-2010

# DIGITAL-TV EMAIL



Introducing:

**CTRL+Z**

Contact:

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# 1 Executive summary

CTRL+Z project has been created by three students from Turku and Lahti Polytechnics in 2004. This is our first business plan and our first common start up. Jenni Mattsson is our main Designer from Lahti Polytechnic. She brings important ideas about “the look and feel” of our user interfaces. Khalid Shahzad and Sébastien Vénot are both successful students in the department of information Technology at Turku Polytechnic. They bring technical knowledge to the company.

## 1.1 *Digital-TV Email service*

Email is basic and important way of communication nowadays. Problem arises when it comes to our senior citizens who are unaware of the complexities of latest technology and Internet. Solution of this problem is found by introducing an easy to use email service with Digital-TV. We have a concept plan for e-mail software used with Digital-TV. The main target group is the senior citizens, unaccustomed to computers or electric mail. Using touch pad and pen should make it easier for them to communicate with each other and to avoid the feeling of left out in this technology race.

## 1.2 *Resources needed*

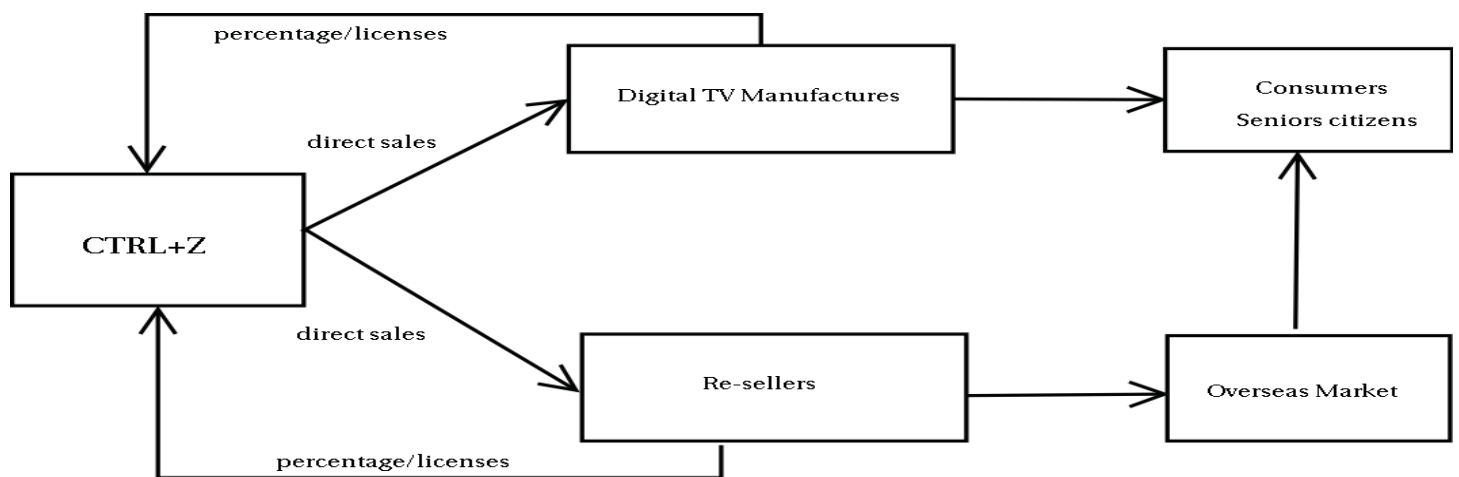
At this moment of the development we need assistance with finance, planning and licensing. In the next few years we should seek a patent for our product, put up a working business and start marketing our product. Later on we will develop our R&D in order to increase our productivity and bring more products into the market.

We need enough funding to start our business. This amount should be about 150 000 euros.

To extract value from an innovation, a start-up (or any firm for that matter) needs an appropriate business model. Business model convert new technologies to economic value.

Our business model is composed of 4 parts:

- **Pricing Model:** We need to define a starting cost for our product; it will be around 200 euros. We will then negotiate case per case the licensing fees: for example about 30 euros per unit sold.
- **Revenue Model**



CTRL+Z BUSINESS MODEL

- **Commerce process Model:** In this part, we defined how we sell our product. We will be in direct contact with our customers. We will also gather companies during some event such as conferences and seminars. Finally we will advertise our software in some technical magazines and newspapers.
- **Internet commerce relationship:** We will create a web site in order to give information to the customer. We will present our company, our product... We will answer to questions.

### **1.3 Growing market**

At the moment the market situation for Digital-TV software is growing steadily. There is already quite many companies on the market, offering software for entertainment and browsing the Internet. Our business and marketing strategy is to target mainly those 50+ people who are not aware of the electronic communication and have no experience with other e-mail programs or using a keyboard. In a few years the Digital-TV will be a form, rather than exception in Finland and thus there is will be a great demand for software. This means we must work rapidly in improving the software and doing research and development. If we succeed in this, there is a big reward waiting for us.



## 2 Digital-TV Email

Our solution is to implement an easy to use email interface for Digital TV or Digibox. This email interface (software) will have all features of basic email. These features will be added in a way that they are easy to use and easy to access.

A special touch pad is introduced to write email. This is added to ease the problem for senior citizens, as it's hard to use keyboard for them. Touch pad would be used to write with normal pen and written text would be displayed. When used for the first time the set-up program asks the user to write all the letters to the touch-board so that Digibox or Digital-TV can recognize his/her handwriting.

This is how a simple touch pad looks like:



Now text would appear in Digital TV like this:





## **User friendly Graphical Interface:**

A well-considered interface should have a holistic approach to the design to ensure that the users understand the logic of the program. To solve this problem, the idea is for the user to write with “pen and paper” (=easy use touch pad) instead of keyboard that often becomes a source of frustration for new users. Since we have no influence over the 1<sup>st</sup> hand interface (i.e. remote control, keyboard etc.) the concentration has been put to design a user friendly graphical interface.

The easiest method to create understanding between an inexperienced user and the software is achieved by associating actions in the software to those already known in daily life. Since existing mainstream email software has already drawn a parallel between email and postal mail with the use of terms such as “Inbox”, “Outbox” and “Address Book”, maintenance of these terms in our email software would be wise. In this case, an envelope or postage stamps are classical forms that get instant recognition and could be used.

To send email the user should press the email-button by remote control. To write he has to take the touch pad and pen. When he writes to it the text will appear on the TV-screen.



## 3 Market Study

### 3.1 Industry Overview

Finland has been among the first countries to launch IDTV services in Europe. The “national launch date” for IDTV was August 27th 2001. So far penetration of IDTV has reached approximately 400 000 households which equals to 18,7% of all Finnish households. Penetration growth rate is strong and an optimistic estimate for selling IDTV set-top-boxes is 50 000 units per month in a near future. The penetration growth rate should stay very firm during coming years, as Finnish government has set analogical switch-off date to August 31st 2007.

### 3.2 Platform Households

Terrestrial: 370.000

Satellite: 30.000

Cable: Few thousands

Most of the terrestrial TV services are free-to-air, which is a traditional model for TV broadcasting in Finland. On the contrary satellite services are usually operated in pay-TV mode. Finnish broadcasters have started to introduce value added services for Finnish viewers in forms of interactive services and pay-TV. There are several companies developing and offering IDTV solutions and services. These include Cardinal Systems, Icareus, Infocast Systems, Ortikon Interactive and Sofia Digital to name few. Major IDTV broadcasters are YLE (Finnish public broadcaster), MTV3, Nelonen, VIISI and Canal+. Penetration continues to grow rapidly and in general IDTV is getting more and more popular among the Finnish people. Broadcasters are also launching new services actively developed by DTV software vendors. Interest of the advertisers for IDTV is still a question mark. The analogue switch-off date is very challenging and it remains to be seen how well Finland has adapted to IDTV before that date.

### 3.3 Market size

Our main target group are senior citizens ranging all the way from 40 to 80 years old. According to the population statistics half of the population was 40+ by the end of year 2003, totalling almost 2.5 million people. Out of this 2.5 million we seek to target especially people who either cannot have afford to buy a computer or do not want to buy one but still want to be part of digital communication frontier.

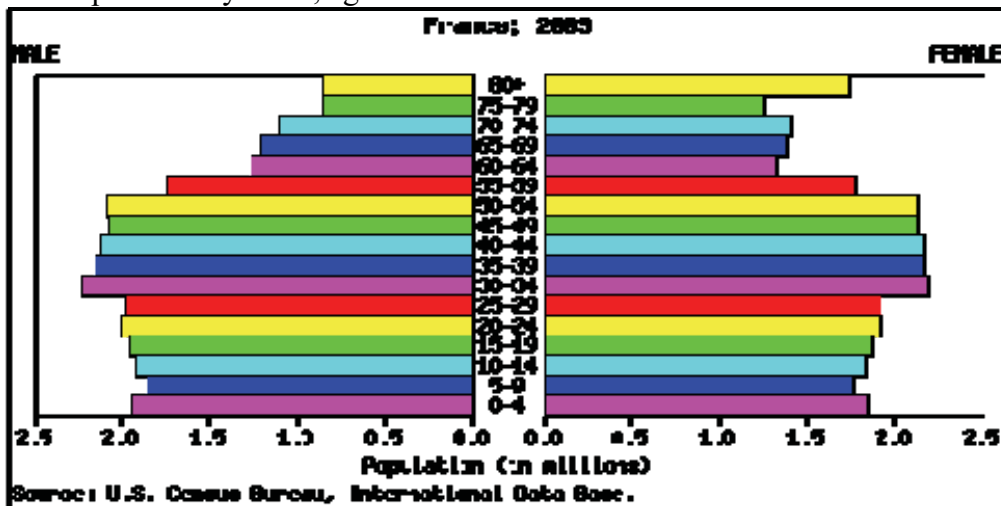
#### Population of Finland by age group, end-2003

| Age          | Males            | Females          | Total            |
|--------------|------------------|------------------|------------------|
| 35-39        | 186 935          | 180 493          | 367 428          |
| <b>40-44</b> | <b>192 739</b>   | <b>186 972</b>   | <b>379 711</b>   |
| <b>45-49</b> | <b>195 024</b>   | <b>192 029</b>   | <b>387 053</b>   |
| <b>50-54</b> | <b>203 830</b>   | <b>200 742</b>   | <b>404 572</b>   |
| <b>55-59</b> | <b>194 731</b>   | <b>195 852</b>   | <b>390 583</b>   |
| <b>60-64</b> | <b>130 548</b>   | <b>139 345</b>   | <b>269 893</b>   |
| <b>65-69</b> | <b>110 107</b>   | <b>126 475</b>   | <b>236 582</b>   |
| <b>70-74</b> | <b>90 050</b>    | <b>118 365</b>   | <b>208 415</b>   |
| <b>75-79</b> | <b>66 306</b>    | <b>106 473</b>   | <b>172 779</b>   |
| 80-84        | 34 871           | 77 889           | 112 760          |
| 85-89        | 14 488           | 42 394           | 56 882           |
| 90-          | 5 377            | 20 400           | 25 777           |
| <b>Total</b> | <b>2 552 893</b> | <b>2 666 839</b> | <b>5 219 732</b> |

In 2003 the mean age of males was 38.5 years and that of females 41.6 years. The age of 100 years or more had been reached by 337 persons, 46 of whom were males and 291 females.

If we expand our business (for instance to France), we could significantly increase the market size by about 20 to 30 millions of persons.

France Population Pyramid, age and sex distribution for 2003



### 3.4 Software market in Finland

More than two-thirds of Finnish software companies develop and produce traditional ICT software. International software vendors have, however, rapidly increased their shares in the Finnish market. This trend is expected to continue in the next five years, forcing the Finnish software houses to search for other business opportunities that are based on utilization of the newest technologies.

In addition, Finnish companies have increased their activities in system and tools software segments. Examples of these kinds of products are Web-related infrastructure software packages and security software. It is estimated that there are about 1,100 companies providing their own software products in Finland. Simultaneously, at least 100 companies have products in development or in pilot phase. These estimates do not include companies only importing software, e.g. subsidiaries or distributors of international software vendors.

The software industry is one of Finland's most prominent industry sectors. The industry - along with software entrepreneurship - has grown rapidly since the early 1990s. The majority of the software companies are start-ups or in early growth stages. Their business ranges from infrastructure software and data security solutions to various Internet and wireless applications, with strong technology forming the basis for innovative products. Finland has the expertise in developing computer software products and is looking for partners and investors abroad, especially from the United States.

### *3.5 Finnish software business product in brief*

The offerings of the software industry can be roughly divided into three categories: software products, customer tailored software (or customized software), and embedded software. Software products differ from customer tailored software and embedded software in the object of trade and degree of productization. Main characters of software products are:

Software products are traded on their own, not as part of other products. Although software product business often includes other things, such as installation, training, and even customization, the main object being traded is software.

Pure software products are highly productized and often referred to as packed, mass-market, or shrink-wrap software. These kinds of products are delivered to a large number of customers in exactly the same format – without any customer tailoring. Therefore software product companies can be defined as companies that sell software products they themselves design, implement, and maintain. Addition to software product companies, software product cluster includes organizations and companies that provide services, product or support for software product companies.

In Finland, the software industry is still relatively small, although it has grown rapidly during the 1990's. Nowadays, the Finnish software industry consists of about 1100 companies. The companies are mainly owned by their founders and their family members, with only minor foreign and external ownership. European companies have lagged behind the U.S. firms in the packaged software segment, due, e.g., to small and diverse home markets, low degree of productization and internationalization, and weak links to universities (Malerba and Torrisi 1996). This seems to be true also for Finnish companies. The trend, however, seems to be towards greater degrees of both productization and internationalization, i.e., from custom software developed for local markets towards mass-market software intended for international distribution.

Despite the challenging economic situation, Finnish software product companies have been able to adjust to the weakened economic situation. As companies are rather small, their capability to modify business operations in a short-term in order to keep the business running is relatively good. As the downturn of the economy makes growth intentions more difficult, it also forces companies to improve their processes and efficiency.

The Finnish software product industry does not have any industrial classification code of its own, making even basic statistics unavailable. To alleviate this problem, the Center of Expertise for Software Product Business located in Espoo, has initiated a

series of national software industry surveys and has built [www.swbusiness.fi](http://www.swbusiness.fi) –service to enhance co-operation between the different players in the industry and to improve the exchange of information concerning the industry.

### 3.6 Competitor Analysis

Here is the list of our main competitors in the world:

| <b>DTV software vendors</b>  |  |
|--|--|
| <b>Platforms, middleware, tools</b>  | <b>Specific applications</b>   |
| e.g.<br>Alticast<br>Cardinal Systems<br>CoreMedia<br>ditg<br>Emuse Technologies<br>Espial<br>IRT<br>NDS<br>Ortikon Interactive<br>Sofia Digital<br>SysMedia<br>Tamblin | e.g.<br>Endemol<br>Fresh Interactive Technologies<br>Gist Communication<br>Icareus<br>Infocast Systems<br>MassMarketMedia<br>Pixtel<br>Softel<br>Technidata<br>TeleIDEA<br>TSS |

**Table 4: Solely IDTV focused companies**

In Finland we can find many other possible competitors:

- <http://www.ditg.co.uk/welcome.html>
- <http://www.emusetechologies.com>
- <http://www.flextech.co.uk>
- <http://www.massmarketmedia.co.uk>
- <http://www.mindhouse.co.uk>
- <http://www.freeview.co.uk/>
- <http://www.ntlhome.com/>
- <http://www.telewest.co.uk/>
- <http://www.cardinalsystems.com>
- <http://www.icareus.com/>
- <http://www.infocast.fi>
- <http://www.ortikon.com/>
- <http://www.sofiadigital.fi>
- <http://www.yle.fi/>
- [www.mtv3.fi](http://www.mtv3.fi)
- <http://www.nelonen.fi/>
- <http://www.viisi.fi>

We will look at two companies: Toshiba and Sofia Digital:

### **3.6.1 Toshiba 32WT98B Dolby ProLogic**

Toshiba has developed a terrestrial digital TV platform based on Toshiba's own semiconductors for superior performance and ease of use. Naturally the 32WT98B will be able to handle the much-stalled MHEG software system, which will enable digital teletext, e-mail, and even Internet use via your TV. Price is quite high more than 2000 €, so it includes mostly people with high purchase power in target groups. We can also add people who are interested in high-level multimedia equipments including great picture with Dolby stereo system sound with Internet facilities. This digital TV has some basic strength as great pictures; impressive surround sound.

There are many other features like Internet access and common-sense application of digital technology and decent connections. The sound system is quite superior. The set's chassis is big enough to accommodate some hefty onboard speakers, and it pays dividends: dialogue reproduction sounds clear and rich, and the placement of effects, both to the rear and right and left, is convincing. Bass levels enhance the cinematic impact too, courtesy of a dedicated super woofer speaker. There are some weaknesses as is so often the case is that the rear speakers are too flimsy to blend tonally with the more potent front soundstage. Although the MHEG update can be introduced to your TV over the airwaves, though, it doesn't happen automatically. This TV provides email and Internet access but there is no such easy to use email-interface.

### 3.6.2 Sofia Digital

Sofia Digital is a Finnish company, which is designing graphic user interfaces for digital TV. Sofia digital provides various interactive services, which include Digital Teletext, TV programs, online shopping and advertising, Games and Communication services such as e-mail. It's for people who usually like to do shopping online, play games and it includes those customers who have sound knowledge of multimedia services mostly 20-40 years old.

Sofia Digital is main competitor as they provide a graphic user interface for E-mail services ([http://www.sofiadigital.com/screenshots/shot\\_Amigo\\_email.jpg](http://www.sofiadigital.com/screenshots/shot_Amigo_email.jpg)) As you can see previous interface has high quality design. However all information are set in one screen so it makes it complex to be used for senior users. On other way it doesn't provide any simple email address examples, which could show email syntax to user. Another weakness could be too many options declared on same page, which makes it complicated for user.

Consumers are free to buy or rent their own set-top boxes or other MHP terminals from any consumer electronics shop. Getting an MHP terminal happens in the very same way that consumers have been getting their analog TV set. Consumers also have the right to choose any Internet access provider for their return path.

Sofia has now improved its service AMIGO by adding MMS features. The message can be then send to a mobile phone. Sofia digital is our most serious competitor in the Finnish market. They have launched quite many services into the market (in their web site we can see 6 available DigiTv software). Their design is very professional and looks very good.



### **3.7 Customers and end users**

Like previously mentioned, our main target group is senior citizens ranging from 40 years to 80 years old. We will sell our product to main digital TV providers.

### **3.8 Other industry players**

There are also other industry players:

- **Suppliers:** They will provide us with raw materials, components and services. We will need to find a good computer manufacture supplier (DELL or IBM could be a good choice).
- **Channels to market:** We could use re-sellers to reach foreign markets.
- **Bankers:** They could help us by funding our Project (two possible Finnish banks: Nordea, Sampo)
- **Lawyers:** They are useful to be aware of the law in business and to follow the laws of the country (Finland).
- **Funding:** Tekes, Finlux, Arvid are potential funds providers.

Tekes is the main public funding organization for research and development in Finland. Tekes funds industrial projects as well as projects in research institutes, and especially promotes innovative, risk-intensive projects. Tekes offers partners from abroad a gateway to the key technology players in Finland. Tekes is the main channel for Finnish public expenditure on R&D. The promotion of risk-intensive and innovative projects is our key area of interest. Tekes offers international partners the possibility to get involved with their Finnish counterparts in technology programs. Technology programs represent a unique opportunity to integrate with the key Finnish players in related fields of technology. Tekes is involved in a large number of European networks and Finnish cooperation can be also be found through these channels, representing a readymade formula for cooperation. In addition to this, Tekes also has offices in Brussels, the USA and Japan, specifically to encourage cooperation in these important areas.

By getting our project approved by Tekes, we can get funding to start our business. Tekes will also provide us high quality IT labors. This labor could be comprised in the funding. Finally by getting support from Tekes, we would have a good work reputation in our customer's eye.



## 4 Business Strategy

### 4.1 Vision

We want to bring a good and easy to use email service for our senior citizens.

### 4.2 Mission

Email is basic and important way of communication nowadays. Problem arises when it comes to our senior citizens who are unaware of the complexities of latest technology and Internet. Solution of this problem is found by introducing an easy to use email service with Digital-TV. Our service is designated to senior citizens, unaccustomed to computers or electric mail. Using touch pad and pen should make it easier for them to communicate with each other and to avoid the feeling of left out in this technology race.

### 4.3 Philosophy

Planning is the key of everything. The business plan helps us to create a route map to a successful business. We selected two citations:

*With careful and detailed planning, one can win;*

*With careless and less detailed planning, one cannot win.*

*How much more certain are defeat if one does not plan at all!*

*From the way planning is done beforehand, we can predict victory or defeat*

- Sun Tzu, *the Art of War*, c. 400 BC

*If one piece is moved wrongly, the whole game is lost*

- Chinese proverb

Our philosophy includes bringing comforts in daily lives of our senior citizens. We want to help our seniors with new technology so that they can be active part of this new high-tech community.

#### **4.4 Central Objectives**

We want to have a fast penetration into the market. So we want to contact main digital TV manufactures and providers. Our main first target is to get contact with them and get suitable agreements. The market of digital TV software is still quite new and It changes quickly .The technology is always increasing. To handle this market, we need to have a strong research and development department. Our software has to be part of this advanced technology. Software products have usually a short life cycle. Later on we have planned to bring more new products to the market.

The time to market is also the key. We want to decrease this time as much as possible using new management software tools, good information technology equipment and constant gathering of information about the market and our competitors. We are expecting to bring into the market good software product. Art and Design are also very important “to catch” or “trap” the eyes of the customers.

#### **4.5 Core Competences**

We are three successful students. Two of us are Information Technology students. We expect then to use our knowledge to manage the Information technology and R&D departments. In case of good incomes we could recruit high-level engineers to create a powerful and efficient production team. The last student brings us her knowledge about Art and Design.

## **4.6 Competitive Advantage**

Our main advantage is that we are young and ready to work hard. We have nothing to lose but everything to win: experiences, knowledge

Another important advantage is that we are the first ones to introduce an easy to use email interface for digital TV. We gathered information about our competitors and none of them provides such service. We are three students from different country; we can then expect to reach other market areas such as Finland, France or Pakistan.

By relying on good programming expertise and employing cutting edge development techniques, we are able to reduce time-to-market for our solutions significantly. As a result, the company's investment in solution development pays off faster.

We belong to Turku Polytechnic, which has important contacts with Turku Science Park and other universities. We have then access to ample high quality IT labour force.

We offer also very competitive prices for our services.

We maintain strict confidentiality about our clients so there is no risk of losing any data. We never provide any of the personal or business information to other companies or individuals without a specific request and permission.

Our location is also a good advantage. Finland has a high technology level. We can then expect to run our business in good conditions.

Another optimistic point is that we want to sell our product to huge digital TV companies, which has already significant reputation in the market. In the case of Finland, this company could be Finlux. We would be using those main big digital-TV providers as a bridge to introduce and spread our product. We could then reach our target group more easily.

## **4.7 Target Group**

Our main target group is senior citizens ranging from 40 years to 80 years old. According to population statistics half of population is 40+. It makes almost 2.5 million people above 40.

### **4.7.1 Competitive Advantages**

Our main advantage is that we are the first to propose an easy to use email-service. All other emails services are full of features and then quite difficult to use by our seniors. We play also on the relationship young people and seniors. Many parents want to keep in touch with their children. They need then to follow the technology: SMS, emails, Internet... Sometime it is quite difficult for them. We help them to stay in this new society growing with new Technology.

### **4.7.2 Target group interview**

Based on the interviews we conducted, out of 28 people (all participants 45+), 57% had never used a computer and even a larger number had never surfed the net. For those people, who indeed owned a computer, in half the cases some one else had done the comparing and buying of the actual product. Also, people accustomed to computers found most difficult in using PC to be the size of the writing on the screen and understanding the jargon or so-called "computer language". For those who did use the Internet actively the most common things were to either use email (free net based services or email software) or search information through search engines. All in all the difficulties the interviewees found in using email services and software were all-around complicatedness; founding particular message from all the ones already read; opening and attaching attachments; and Spam.

### **4.7.3 Interview's results**

Out of 28 participants for an interview, only three already owned IDTV or Digi-box. Two of these three people had acquired their products during the last year and one over two years ago. They all considered using IDTV to be easy. Even though 78% of all the interviewees had never used IDTV, 32% of people questioned would be interested in using email-software through Digi-box / IDTV. 25% of them all would be interested in buying one although most questioned mentioned that the product price would effect the decision to buy. Most commented that if the software would be included in a package with Digi-box / IDTV, they would be more interested in buying it.

#### **4.7.4 Interview Analysis**

All in all there is still a lot of scepticism about IDTV and of the idea of email software with IDTV. The most sceptical group are definitely people who have retired from working life without being introduced to computers. Thus the most interesting target group would be those who have used computers in their working lives but have not – for one reason or another – ever bought one. After all 46% of the interviewees say they send mail (postcards, letters) through regular postal service at least once a month or more. Where in 92% consider their level of knowledge on television to be either good or fairly good. On Teletext the number is 64%. In this case the most prominent users might be the so-called “baby-boomers”. Although one woman, age 85 years, said that after she got the Digi-box on her cabin she’s been able to watch all the channels without any difficulty using Digi-box and was thoroughly fond of the product. Another interviewee, woman age 57, said she “would like to play with it, but wouldn't know where to start”. Thus the problem isn’t so much the new technology but the fact that it is thought to be difficult to learn and use. There is a definite niche for our product as long as it is design to be used with touch pad, easy options, clear visual image and logical information structure.

Additional target groups can include educational organizations that find added value in email software leaning on touch pad usage and those who have an interest for other multimedia features as well, such as TeleText and online shopping.

## **4.8 Our Objectives**

Following our main Objectives:

- Help our senior citizens using new technology such as email
- To have a successful and running business
- Improve our Research and development department
- Decrease the time to market
- Get contact with main digital TV providers
- Reach overseas market

## **4.9 Our Strategy**

We will sell our product to digital TV companies. We will use by this way their image and reputation to access our target group. For example Finlux and Sony could be interesting companies. We want also to use channel to market such as re-seller to reach overseas markets.

Finally we also have a last resort strategy.

We will use this strategy only if problems occur. Problems could be poor sales, strong power of competitors on the market...

This strategy is called retrench. We will cut costs and sell our product below our product development cost. There will be no benefit for us. The aim is to break the market and start over with a brand new product. This method was used in Japan.

These 4 concepts are set to the whole company. We need also to define strategy for each department.

### **4.9.1 R&D Strategy**

Our main strategy is to have a high level research and development department. We want to follow as close as possible the evolution of new technology. Training of our employees is the key. We want to bring a good software product to market. As soon as we have introduced new software to the market we are already looking to make it obsolete. We can then always improve our services and products and create new developments ideas. Serious software starts with quality.

We will generate many quality controls, sampling for customers, testing, get the ISO quality requirements. We will also involve an important workforce; CTRL+Z team will be composed of all needed skills for a successful Digital Concept Business.

## **4.9.2 Media Arts and Design strategy**

### **4.9.2.1 Design Main Idea**

The influence of technology is profoundly changing how we express ourselves. Media Arts is a new field that represents the exciting convergence of technology with the established design discipline. Our strategy is focusing on the concept Man-Machine Interaction.

About our user interface, the main idea in the design is to bring easiness. We want to create a step-by-step email interface. It is more comfortable for the user to enter data (email, subject, body part...) once at a time without much complication. This is only a general idea of our email interface.

### **4.9.2.2 About email**

When unaccustomed to the acts, terminology and benefits of email, a new user is likely to be intimidated by the process. The easiest method to create understanding between an inexperienced user and the software is achieved by associating actions in the software to those already known in daily life. Since existing mainstream email software has already drawn a parallel between email and postal mail with the use of terms such as “Inbox”, “Outbox” and “Address Book”, maintenance of these terms in our email software would be wise. In this case, an envelope or postage stamps are classical forms that get instant recognition and could be used.

### **4.9.2.3 Writing style**

The target group of the product being Western and used to reading from left to right and top to bottom, the information hierarchy should follow the same order. The user’s eye always follows lines with sharp contrast to the base colour, so it is wise to use lines to create “paths” through each page or level of the process. Also, because of the reading hierarchy, the most important piece of the information should be placed to the top left corner of the interface to make sure it gets read. The bottom right corner commonly gets the smallest amount of attention and thus it should be the place for buttons like “Send” or “Next”. To avoid users getting lost or confused, there should also be the “OK” button to every action planned. Confirmation and a possibility to cancel each action help the user to stay in control of the email sending. The software



should allow the user to make mistakes with out getting punished for it. On each level of the process there should be clear and easy escape route back home.

#### 4.9.2.4 Icons

People commonly remember images better than words. That is the reason for the software to rely more heavily on icons. Through the process the icons should be constant; stay the same shape and colour. Again, to avoid unnecessary confusion, the positions of key features and motifs (i.e. Inbox, Outbox, Compose Message and the escape route) should be anchored and unexpected changes in the interface avoided. As an extra help for the inexperienced user, concise animations and sounds can provide positive and instructive feedback. For example, mobile phones already show an envelope moving from point to point to indicate the sending of a message, finalised with a “sent” confirmation message. Thus, an on-screen representation of the postman might raise the level of assurance that the sending is all really taking place.

#### 4.9.2.5 Help function

Many GUIs rely heavily on the help function. Nokia pioneered technology that automatically launches help features if a menu option is contemplated for too long. This feature could be worth considering, however reactions in the application that are triggered without direct provocation from the user can be disorientating and should be avoided. An unobtrusive “would you like some help?” could be appropriate.

#### 4.9.2.6 Visual examples

Here are some visual examples that suggest the chosen style.



The red-blue added to very light yellow works well, although the indication to the American postal service might be too strong. A curvy hand-written typography should be used only as an indicator, but never as a text is itself since it too hard to read. The

typography should be simple and quite large the best choice would probably be Times or Times New Roman.



Stamps could be used to indicate that the letter is being sent or has been sent. The stamp itself might read the name of the company and the software.

Every minute of every day we receive subtle clues and nudges to guide us along the correct path through the technology driven maze we inhabit. A well considered interface can and should go further than the subtle nudge of colour selection or clue of iconography; a holistic approach to the design will ensure that the end-user, novice or professional, is pulled through the maze by a logical thread.

The limitation of 2<sup>nd</sup> party interfaces- those many mystical menus and windows we operate at arms length, behind a sheet of phosphorus-coated glass- is the restriction imposed on the senses. We are not able to explore the maze of virtual worlds with our full faculties; this is the inherent complication of the GUI (Graphical User Interface). Of the five regular and widely accepted senses (aural, visual, touch, scent and taste), current on-screen interfaces can only hope to stimulate the eyes and ears of the user.

We, unfortunately, have no influence or predetermined knowledge of the 1<sup>st</sup> hand interface (i.e. remote control, keyboard etc) and therefore no knowledge of exact button layout, texture and form. Hence, from here on when referring to the interface I refer to the on-screen GUI. We cannot derive a *strong* correlation between the remote control and the on-screen functions to truly expand the interface horizons and propel the user through the unfamiliar terrain of email software. Fortunately however, if massaged correctly, the eyes and ears can be a potent tool in the guidance of the novice user through what will seem like a daunting, technological maze. A rigid analogy is a simple and effective way of creating a map for the inexperienced user.

#### **4.9.2.7 Encouraging Exploration via an Analogy**

Getting lost in a maze can induce fear and confusion. Likewise when unaccustomed to the acts, terminology and benefits of email, a novice user is likely to be intimidated by the process. If not accustomed quickly, the user is likely to be turned off from the software, as the end will not seem to justify the means. The easiest method to create understanding between an inexperienced user and the software is achieved via the mimicry of existing, understood activities and therefore associating actions to those already known.

Before the finer points of the aesthetics are focused upon it is wise to construct the analogy for the software. It may seem a crude or patronising method for helping a user become accustomed to a procedure or system, but it is the simplest means to accustoming a low knowledge user to unfamiliar surroundings. A strong and consistent analogy allows the user (even with very little experience) to be aware of the consequences of their actions. This effectively lowers the walls of the maze, gifting the end-user with foresight and the ability to judge their decisions and activities in advance.

The power of well thought out descriptive imagery is amply demonstrated throughout the software industry; in fact the lucrative home user market is firmly founded upon the desktop analogy of OS stalwarts Apple and Microsoft. Luckily for us email has it's own analogy rooted in it's processes, automatically lending itself to a correlation with that of real letter writing and postal service. Existing mainstream email software has made some efforts to draw a parallel between email and postal mail with the use of terms such as "Inbox", "Outbox" and "Address Book". Maintenance of these terms in our email software is wise. Although tailored towards the office environment; they are now industry standards and will provide consistency and transferable skills with all other email software.

The comparison in existing email software and applications to postal mail tends to begin and stop with these terms; POP3 orientated software has a tendency to be limited by the OS framework it exists within and web mail often restricts itself to current website graphical trends and practices. The careful consideration to the

semantics of language and iconography is key to information being portrayed efficiently. Suzann Vihma talks of “ideal forms” in products, for example the clothes iron, telephones and kettles have a form that has come to be synonymous with their existence and function. Common designs tend not to drift too far from the ideal form when trying to reach a large audience. The same can be said about the imagery within the email software for the elderly, just as a flat black outline of a clothes iron is instantly recognisable so is that of an envelope or postage stamp. Well-considered but classical forms are most advisable, allowing clarity of purpose.

For the analogy to work with the more mature and inexperienced target market we must go far beyond a small icon of an envelope, there must be clear links drawn visually and audibly between postal mail and email, making full use of the 2 senses we have available to us. Concise and unambiguous animations and sounds can provide positive and instructive feedback within the framework of the analogy- mobile phones already show an envelope moving from point to point to indicate the sending of a message, finalised with a “sent” confirmation message.

The purity of the analogy is the key to its success as inconsistencies between the function and its on-screen representation will increase the confusion. It is therefore vital for the analogy to be developed alongside the service structure to ensure maximum congruency between the effigy and the function.

#### **4.9.2.8 Feeling at Home**

We have discussed how unfamiliar environments will cause discomfort within the user, and importantly how a rigid analogy can overcome this. More than just providing a map in the form of an analogy, we can make the maze the user’s own. If the email software connects emotionally with the user, they are less likely to turn their back on it.

It has long been recognised that there is greater tolerance between operators and objects they feel a connection with. Aesthetics are a decent start point, users are more willing to learn and trust a product or service that looks good as they believe more effort has been invested into it, this is known as the “aesthetic-usability effect”.

A more sophisticated method is to give our service a personality. Two of the finest examples of this phenomenon are demonstrated in the technology and communications markets. Users are far less likely to become frustrated with their own computer than a public workstation because of this act of personalisation. With personal themes and desktop the computer's idiosyncrasies become more of an irritating friend than a saboteur of your productivity. NOKIA too gained massive success with the personal approach by designing interchangeable covers, personalised ring tones and logos for their handsets. This allowance of expression creates an emotional bond between the user and the phone that can often overcome the lack of network coverage or slow menus.

The ability to download and apply audio-visual themes to the email software may at first seem a frivolous extra but may prove vital in maintaining interest during what could be a frustrating learning curve for the elderly user. It could also provide an area of extra income for the service provider.

Furthermore, as technology in the digital TV sector develops more advanced means to generate emotive attraction between user and service can be explored. For this, PetWORKs collaboration with Sony can provide some direct inspiration. "PostPet" was developed as an introductory email service for novice users where a Tamagotchi-esque virtual pet delivers mail on the users' behalf, amongst other function. The typically cutesy Japanese imagery is not necessarily appropriate for our service, but the character-based interface may be useful. An on-screen representation of the user provides a tangible focus, and an on-screen representation of the postman can raise the level of assurance that it is all really happening.

#### **4.9.2.9 Blind Corners and Dead Ends**

Inconsistencies and unintended slips can lead down blind alleys and dead ends leaving the user lost and helpless. When approaching a blind corner this fear of becoming lost will lessen the chance making the turn, and can result in the software being misused. With conservative and reliable interface design the blind corners will be removed by user's knowledge. An informed user is less likely to be lost in the software.

Many GUIs rely heavily on the "?" or help function to brush over the lack of intuition in the interface. Having to utilise the help function repeatedly is not only time

consuming but can feel demoralising. NOKIA pioneered technology that automatically launches help features if a menu option is contemplated for too long. This feature could be worth considering; however reactions in the application that are triggered without direct provocation from the user can be disorientating and are best avoided. An unobtrusive and intermediate point of “would you like some help?” could be appropriate.

However, a far more effective means is to minimise the need for help at all. Consistency and redundancy are perfect for creating an intuitive interface. By anchoring the position of key features and motifs (i.e. Inbox, Outbox, Compose Message and the escape route should a slip occur) security and comfort with the interface is maintained. Unexpected and seemingly unprovoked changes in the interface will cause confusion. While keeping the menu structure constant and the routes through different processes comparable with each other may seem creatively limited, the redundancy generated through consistent processes make any changes more noticeable and therefore more informative.

The difference between a maze and a labyrinth is a subtle but fundamentally defining one- while a maze is built to confuse, a labyrinth has no wrong turns. Finding yourself in a dead end with out warning is frustrating, luckily there are plenty of measures that can be taken to limit or eliminate that scenario; turn the maze to a labyrinth...

- Confirmation – The OK box, already in use in windows etc.
- Operator Constraint – limiting the depth that the user can interact with the software
- Affordance – visually encouraging the user towards the correct decision
- Hicks Law- the more options, the more confusing it gets. Simple.
- Forgiveness- Allowing mistakes with out punishing the user, easy escape route

A restrictive and predictable menu and process order removes not only blind corners but also, if executed effectively, can remove the walls of the maze completely.

### **4.9.3 Marketing/Sales strategy**

The marketing department should always gather updated information about the current market and competitors. We can then avoid being surprised by new competitors coming from overseas.

They will enter in contact with possible customers and negotiate sales.

The main strategy there is to reach main digital TV providers.

Finally this department will manage CTRL+Z advertisement campaign.

### **4.9.4 Information Technology strategy**

Our IT systems have to be up and available 24h/24h; 7days/7days. We will be continually building our information resources. To develop high quality software we need high quality equipments. We will set-up a robust and fast network using Cisco technology. We want to select the best computer suppliers. Nowadays we think mostly to IBM or DELL. The communication between us and with our customers should be easy: fast access to the Internet, mobile phones for every person of the CTRL+Z teams. Finally we will implement a high-level network security to protect confidential data. A full backup will be done every weekend. We will do an incremental backup technique every day otherwise.

#### 4.9.5 Technical strategy

There are many ways to make digital TV application. One way is to program in JAVA. We chose Java because it is quite portable from one platform to another.

As television viewers become more sophisticated, the demands for more interactive technology will increase. To meet this demand, Sun is releasing the Java TV API. Java TV applications enhance the broadcast and viewing experience by providing such features as programming information and announcements, selectable applications such as the ability to play along with a game show, broadcast data such as a stock ticker banner running across the screen, or media control such as an interactive program-related survey.

Television viewers with Java-enabled digital television receivers will be able to receive and interact with Java TV applications while watching network programming. The tool for interacting with Java TV applications is the viewer's television remote.

The newly released Java TV reference implementation implements of the Java TV specification that includes the Java TV and Java Media Framework (JMF) APIs. It requires a PersonalJava virtual machine and class libraries to run. The source base is currently available to licensed digital receiver manufacturers (Java TV licensees) so Java-enabled digital receivers should be available to consumers soon. Developers working for licensed companies that specialize in creating digital TV content will use the Java TV API to write digital television applications that either reside on or are downloaded to Java-enabled digital TV receivers.

While there are a wide variety of digital television receivers with varying capabilities, the Java TV API lets developers access their common features and scales across different receiver implementations.

Finally, since digital TV are different in hardware point of view, we could later on make some agreements with digital TV manufactures and implement software for them using other options such as: other programming language...



#### 4.9.6 Our Operational Plan

We are defining there our operating plan for the company as a whole. Each department will have it s own operating plans. This topic won't be covered in this business plan. We will start directly to work hardly on our software. We also continue to study our market and competitors. We keep our eyes and ears open and check what is going on in the market. We will first introduce what will do after the presentation of this business plan: the important and time-related issues: how we build our company CTRL+Z. Then we will show the development process of our email service.

CTRL+Z corporation creation: maximum 2 months

- Look for an Office
- Hire one marketing/business person
  - Presentation of our business idea as a whole
  - Delivery of our business plan
  - Meetings
  - Salary issues
- Main board is created
- Buy the needed equipments and furniture
- move into the new office

Design/Interface drawing: it lasts 2 months

- Human /computer interaction
- Look
- Easy to use
- Testing from some users
- Point of view on the design (opinion): Does it look good?

Software development: it lasts 5 months:

- Get the design department's work
- Documentation, class design: UML...
- Start coding
- Debugging
- Testing
- Usability testing
- Final documentation

Advertisement and meeting: at least 6 month

- Contact with digital TV providers
- Meeting
- Seminar
- Professional newspaper
- CTRL+Z selling process (see part 4 of this business plan)

Marketing: will start at the same time of the software development period

- Gathering information about the current market state
- Gathering information about the current competitors
- Analysis of the previews information
- Company Internal meeting
- Advertisement campaign
- Seminar
- Direct contact with the customers



## 5 Marketing Plan

- **Distribution**

We sell our service to digital TV or Digibox provider. They will incorporate our software into their product.

- **Pricing Strategy**

We will launch our product with a starting price of 200 euros. Then we will get incomes with licenses. We start with a bit high price that we will decrease within the next 5 years. The licenses fees should vary depending on negotiation with each digital TV service provider. For our cash flow example, we chose a license of 30 euros per unit sold. We could use percentage on all digital TV sold each year by the distributor. The second solution is to sell our software for specific time: one year licensing.

- **Seminars**

Seminars will be arranged with different Digital TV service providers at regular intervals. Seminar's location and timing will be settled by common agreement. An estimates amount of 3000 euros will be spent on these seminars.

- **Business to Business marketing**

We will be marketing our product to these Digital TV providers. We will contact representatives of these providers and conduct some meetings. Business to business marketing plays an important role in our marketing plan. We want to create some relationships with other Digital TV companies in order to get our product in market. In this way it would be very helpful for us to introduce and sell our product in market.

- **Marketing communications**

Buying process of our product:

| Step | Buying process for Digital TV or Digibox providers   |
|------|--|
| 1    | Customer contacts CTRL+Z via phone and email and ask for a free sample.  |
| 2    | CTRL+Z qualify the customer and determine whether or not to send them a free sample.   |
| 3    | If step 2 is ok then CTRL+Z sends a free sample, which will work during a period of time t. The customer can test the software within its product.   |
| 4    | The customer contact CTRL+Z in order to meet and discuss prices, product information and requirements... If the customer doesn't ask a meeting, CTRL+Z will ask.                                     |
| 5    | After negotiations, each team should reach (or not) an agreement translated into Contract: text and paper format. Both sides should sign the document.<br>We will also discuss licenses agreements.  |
| 6    | The customer should transfer the amount of money to the CTRL+Z bank account.   |
| 7    | As soon as the bill has been paid. CTRL+Z deliver the product to the client.<br>We use two ways:<br>Burning the software into a CD<br>Sending the software via internet in a secured way: VPN or PGP |

- **Customer relationship**

Our target group are senior who are not aware of Internet and computer technologies. To develop customer relationship, firstly we need to be serious in our job. We need to make good quality software, follow timetable and deadlines, no delay in development. For our good customer we could make some discounts or add new features in their software. We should also be always available for our customer and answer to their questions. In the case of senior without computer knowledge, we need some people very good in communication: which person who can explain technical topic in an easy way. The end user has the possibility to contact CTRL+Z for any questions.



## **6 Management Team**

Our management team is composed of three successful students from Turku and Lahti polytechnics. Jenni Anniina Mattsson comes from Finland and study media, design in Lahti polytechnics. She brings us her knowledge about the Finnish culture and also about media and design. Khalid Shahzad comes from Pakistan. He is last year student in the degree program of Information Technology in Turku Polytechnic. He brings to the team his high communication capacity and of course his technical knowledge. Finally Sebastien Vénot comes from France; he is also student in the degree program of Information technology of Turku polytechnic. He brings to the team his knowledge about programming and IT.

### **6.1 Our Strengths**

Our main strength is that our group is composed of people from different study background, and nationality. We are not only limited to make business in Finland. Using the French culture of Sebastien or Pakistani culture From Khalid, we can expand our business to France and Pakistan.

Our second strength is that we know each other quite well. We have worked together during each meeting or through the Internet since few months already. The mix of skills is also very important. To implement an email user interface we need good knowledge in information technology and design. We have these two main skills: Khalid and Sebastien for the IT part, Jenni in Design. We have also the necessary supporting structure, which could be Turku Polytechnic.

Another strength is that we will have an important part in R&D. Our idea of email service is good but it's only one product, if we increase the productivity and brings more new software products into the market; we can definitely increase the incomes. Our second strength is the communication process between each group: Every data

should be gathered and shared in a common database. We remove by this way every delay and error due to exchange of information between people. This database should be update in real time and as accurate as possible. This database should give information such that timetable of each resource, availability, market state, financial planning...

## **6.2 Our Plan to enforce the management team**

Our group CTRL+Z is composed of 4 main areas:

- **Info design and design management**

Manager: Jenni Anniina Mattsson

Main skills: Media and culture studies

Jenni Mattsson studies at the moment in Lahti Polytechnic specializing in media and film studies. At the same time she is doing an MF studies at the University of Turku majoring in Cultural history.

- **Research and development**

Manager: Sébastien Vénot

Main Skills: Programming and software

Sébastien Vénot is a successful student at Turku Polytechnic specializing in Information technology, data communications. He has studied 2 years to get a French degree at the University of Montpellier: Degree in telecommunication and network.

- **Information technology**

Manager Khalid Shahzad

Main skills: Networking and Information systems

Khalid Shahzad is final year student of Information Technology engineering in Turku Polytechnic Finland. His studies are mixture of various fields such as programming, networking and business studies.

- **Marketing and sales**

We will need to recruit someone to manage this important and critical area. This person should be dynamic and should be able to speak Finnish and English.

This person should have also a high capacity of communication and also have significant knowledge in business, marketing.



## **7 Financial Plan**

### **7.1 Revenue**

We have projected its revenue requirements based on our knowledge and motivation. It is a forecast about how much our company could win by selling this email service over the next 5 years. The values in this table are in Euros. The unit price of our software could start at 200 euros. We also put the licensing fee to 30 euros per unit sold.

### **7.2 Forecasting Sales Volume**

Finland entered the digital era when the multiplex representatives started up digital television broadcasts at 3 p.m. on 27th August. This means that there are now eight new television channels in three multiplexes, and the four existing channels can be received as digital parallel broadcasts. Viewers have a total of twelve channels to choose from.

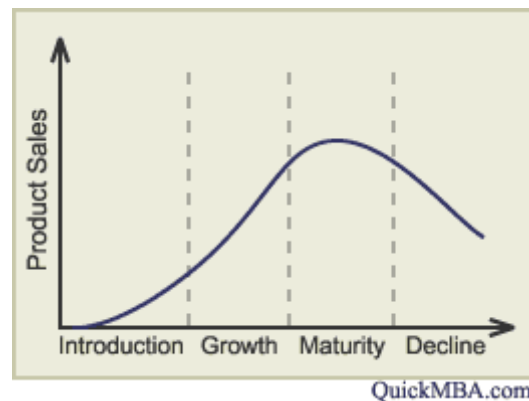
#### **7.2.1.1 Digital Broadcasts**

Digital broadcasts will initially be visible in the reception areas of the Espoo, Turku, Tampere, Lahti and Eurajoki stations. By the end of 2001, the area will cover over 70% of the population. The television-broadcasting network is to be digitalised in phases. The process is due to be complete at the end of 2006, when approx. 99% of Finns will reside within the transmission area of digital television. Digital pilot broadcasts began in autumn 2000 during the Sydney Olympics. We can then expect a growth of sales at the beginning of 2006. We should launch our product in the middle of 2005.



### 7.2.1.2 Product life cycle

**Each service or product has a life cycle:**



We will sell a small amount of software in the introduction part; the price of our product will be at this step maximal (about 200 euros). In 2006 with the expansion of the digital TV network in Finland, sales should skyrocket. We will have also more competitors, that is why we need to decrease a bit our price. In the maturity stage, sales should be maximal we need also to decrease our product for many reasons: More and more competitors, our product have been launched quite a long time ago...

Finally in the decline stage, sales will go down. In the case we are selling only one product that is the end of our business. Later on we will bring new software products to the market. At this point, we need to define an accurate sales volume for the next 5 year. In the market Study, we saw that there are about 2,5M of persons between 40 and 90 years old in Finland. If we believe the expansion of the Finnish digital TV network: this entire group will have a digital TV in 2006.

The number of core staff at CTRL+Z is projected to grow from 3 to 10 over the course of the five-year period. The salary and benefits budget represents these full-time equivalent staff (permanent and contract) as well as summer and other occasional staffing hires such as interns and international exchange students. Areas of growth are forecast to be in technical areas that require additional investment and support, such as the procurement and development of advanced design methodologies and related instructional material.

### **7.3 Rent and Infrastructure Services**

We need of course an office in order to develop our product. The rent could vary depending where we are. We choose a rent around 500 euros. This cost will vary within 5 years because of the hiring of more employees. We count also the utilities such as water and electricity: about 100 euros per month. This amount will also increase when hiring more labours.

#### **7.3.1 Hardware and Software Maintenance**

Our work support is mainly composed of computers. We need to have hardware and software maintenance. We chose to spend about 50 euros every month for basic maintenance.

#### **7.3.2 Other Operating Expenses**

This category covers all other operating activities of the corporation including travel, training (for both CTRL+Z staff and for courses for the university members), professional fees, supplies, equipment under 5000 euros (including installation of equipment), printing, hiring, insurance, telephones and communications, etc. Based on recent trends, areas of upward cost pressure will include travel for technical staff and training.

### **7.4 Capital expenses**

- **Capital Equipment:** we define capital equipment to include hardware and software over 12 000 euros. This will be the single largest area of expenditure.
- **Development Contracts:** we also want to use external development contracts, particularly in the training area, to develop leading-edge capability for use in the broader community. In areas of new technology development it will be important to use CTRL+Z staff, rather than external contractors, to build the in-house capability to support the technology.

## **7.5 Cash Flow Statement**

Our cash flow statement is used to analyse the cash inflows and outflows (where the money went) during a designated time period. This balance sheet covers 5 years (2005-2010). Figures are liable to change.

Statement includes expenses like employee's salary, material, rents, insurance, subcontracting, taxes, marketing and some other expenses.

Company includes 3 persons for management post, 1 sales person and 1 programmer in the beginning which increases gradually as needed. Necessary material is bought like computers, printer, telephones, and furniture. Company will have benefit of funding from Tekes and Arvid to cover its financial matters for putting up business. It is followed by income presentation. Company has to go through some tough times in the beginning but it came out of those hard times quite nicely. We will make more agreements with other Digital TV providers and start selling our software to those companies. We came up with a license price of 30 euro for each piece of unit sold. In addition, all taxes are comprised in the employee's salaries. An employee will then get  $3000/1.5 = 2000$  euros. This amount will be pay via Bank account transfer. Most materials will be purchase the first year, we will then buy more materials when hiring new person (year 1, year 3, year 4 and year 5). When hiring people, we need to get a bigger office area. For this reason, there is an increase of the rent and office's utilities within the 5 years. We will also subscribe to a good insurance and spend about 50 euros every month.



## 8 Risk Analysis

We will first subscribe to insurance for all unlikely risk such as: robbery, natural disaster ....

### **What if a new competitor from overseas gets into our market?**

We will have to always gather information about what is going on in our market and in the world in order to avoid any surprise. In the case that a new competitor arrives we can then study their product and adapt our strategy. By flooding the market with new product and by increasing our market share, new competitor will have more difficulties to get into our business area.

### **What if there is a corrupt backup, our IT system becomes obsolete?**

Our IT systems will be always checked and tested. All obsolete devices will be changed. We need to have an IT systems at the top of the technology in order to have a competitive advantage. About backup we are going to do one Full Backup every weekend and then incremental backup every day. If one is corrupted then we can retrieve our data using the one from the day before.

### **What if the market changes radically?**

We will adapt our business and strategies. The most important thing is to gather information about our market and to be the first to react when a significant change occurs.

### **What if our sales decrease significantly and our market share goes down?**

We need first to analyse our situation, make brainstorming and understand why we lose power in our market. Then we can change our strategy or boost our R&D department for brand-new product. The last solution is to sell our product below the production cost in order to break the market.



## **9 S.W.O.T. Analysis**

### **9.1 Strengths**

We will have a strong IT and R&D departments. This strength will be translated into a high productivity. Our team is composed of 2 students in Information technology; their knowledge will be used to create a high-level information system within the company. We have also ideas and technical knowledge; these 2 parts will enable a very good R&D department. Our group is also composed of people from different study background, and nationalities, which enable a successful mix of knowledge and culture. We have at this time 3 nationalities in our group: Finland where we want to start our business, France and Pakistan. France and Pakistan are then a possibility to expand our business overseas.

### **9.2 Weaknesses**

We are young and new to business. CTRL+Z is our first Start up. We need then to be advised by mature and skilful people in order to run our business in good condition. We have no member in our team who has knowledge about sales and marketing. We need then to recruit someone to take care of this job, which means additional cost. We need also to specify that 2 students of the 3 don't speak really Finnish language. That can be a problem when starting a business in Finland.

### **9.3 Opportunities**

Our market is growing quite rapidly. We can then boost our sales and get a good market share by reaching big digital TV companies. France and Pakistan are also 2 countries with a high population, which can be used to expand our business. By reaching France and Finland, we can afterwards get into all European Countries. With Pakistan we can also reach India and China: the 2 most populated countries. Another great opportunity is that the competition is quite fragmented. Many companies are making software for Digital TV but none of them are doing easy-email interface for seniors as we are planning to do. We have then different target group.

### **9.4 Threats**

We have many competitors in Finland and also in the world (see competitor analysis). Competitors such as Sofia Digital have also a strong R&D and a very good interface design.

# 10 ANNEX

## 10.1 CV

Sébastien VENOT  
Yo-kylä 4C23 20540 Turku Finland  
☎ 040 870 1000  
✉ Mail: venotsebastien@yahoo.fr

21 years old, French nationality, single

### PROFILE

I'm very serious and hard working. I am enthusiastic and conscientious. I have initiative spirit and I have a willingness to learn.

### EDUCATION

2002/2004 Turku Polytechnic:  
Information Technology Bachelor Degree (study in hand)

2000/2002 University of Montpellier 2: Institute of Technology  
Telecommunication and Networks degree

1999/2000 High school scientific diploma (June 2000)

### SKILLS

Programming languages: C, HTML, JAVA, PHP, SQL, basics of WML and XML, C++  
OS: Linux, Windows NT/ 98 / XP  
Software: Mat lab 4.2, Maple, MathCAD, Word, PowerPoint, Excel  
Development of applications: Web sites, java applets, Databases, WAP pages  
Networks: Installation, configuration of Cisco router, administration, creation and design, CISCO CCNA  
Telecommunications: knowledge about GSM network, signal handling, multiplexing, and modulation

### LANGUAGES

French: mother tongue  
English: good  
German: medium  
Finnish: basics

### EXPERIENCE

Seasonal Farm work (wine harvest...)  
Internship of 4 month by France Telecom TRANSPAC:

- Installation, configuration of router
- Work in centre (Hotline, preparation of the connection)

Temporary worker: MANPOWER agency of Sète:  
Goods handler  
Mounting of steel floor (assembly line work)

### OTHER INTERESTS

Tennis, mountain biking(alone or in group), floor ball, cinema, reading (mostly science fiction and thrillers).

## **10.2 CV**

**Name:** Khalid Shahzad

**Date of Birth:** 28.05.1981

**Telephone:** 0405599469

**Nationality:** Pakistani

**Address:** Yo-kylä 2 D 21 20540 Turku Finland

**Email:** khalid.shahzad@turkuamk.fi

### **EDUCATION**

|           |   |
|-----------|---|
| 2003-2005 | B. Sc. Engineering Data Communication<br>(Turku Polytechnic, Turku, Finland)                    |
| 2001-2003 | <b>B. Sc. Engineering in Information Technology</b><br>(Kemi-Tornio Polytechnic, Kemi, Finland) |
| 2000-2001 | <b>B.Sc. Chemical Engineering</b>   |
| 1993-1999 | <b>Higher Secondary Education</b>   |

### **Language Skills**

-English-Excellent Command    -Urdu-National Language, Hindi-Fluent  
-Punjabi-Mother Language       -Finnish and German- Sufficient knowledge

### **Computer skills**

Excellent MS Word, Excel, PowerPoint  
Computer Installations  
Basics of Java programming  
Basics of C++ programming  
Basics of HTML and PHP  
Networking-Routers configuration and installation  
Network Security

### **Project Works**

Introductory Team projects  
Analogue Electronics projects  
Digital Electronics project  
Programming project  
Digital and Computer project  
Digital Concept Design project

### **Work Experience**

-Student tutor: I have been working as a tutor in Pakistan during my studies.  
-Part time jobs: I have worked in Restaurant and some of offices as part time.

### **Extra curricular activities**

Hobbies include: Numerous sports, Music and Movies, Travelling, Computers.



# 11 Cash Flow

|                       |                               | Year 1  |          |       |       |      |      |      |        |           |         |          |          |
|-----------------------|-------------------------------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| amount                |                               | January | February | March | April | May  | June | July | August | September | October | November | December |
| <b>Employees</b>      |                               |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Salesperson                   | 1       | 3000     | 3000  | 3000  | 3000 | 3000 | 3000 | 3000   | 3000      | 3000    | 3000     | 3000     |
|                       | Programmer                    | 1       | 3000     | 3000  | 3000  | 3000 | 3000 | 3000 | 3000   | 3000      | 3000    | 3000     | 3000     |
| <b>Material</b>       |                               |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Computers                     | 7       | 8000     | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
|                       | Printer                       | 2       | 400      | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
|                       | Fax                           | 1       | 100      | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
|                       | Telephones                    | 5       | 750      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
|                       | Mobile                        |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Phones                        | 5       | 1000     | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
|                       | Software                      | 5       | 1000     |       |       |      |      |      |        |           |         |          |          |
| 145                   |                               |         |          |       |       |      |      |      |        |           |         |          |          |
| <b>Rents</b>          |                               |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Office                        | 1       | 500      | 500   | 500   | 500  | 500  | 500  | 500    | 500       | 500     | 500      | 500      |
|                       | Utilities: water, electricity |         | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| <b>Insurance</b>      |                               |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Property/Office               |         | 50       | 50    | 50    | 50   | 50   | 50   | 50     | 50        | 50      | 50       | 50       |
| <b>Subcontracting</b> |                               |         |          |       |       |      |      |      |        |           |         |          |          |
|                       | Testing equipments            |         | 3000     | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
|                       | Cleaning                      |         | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |

|                       |      |    |    |    |    |    |    |    |    |    |
|-----------------------|------|----|----|----|----|----|----|----|----|----|
| <b>Other Expenses</b> |      |    |    |    |    |    |    |    |    |    |
| Maintenance           | 50   | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Furniture             | 2500 | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Office supplies       | 50   | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Security              | 200  | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Website               | 20   | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Licensing : ISO       | 100  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |

|                  |      |      |      |      |      |      |      |      |      |      |
|------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Marketing</b> |      |      |      |      |      |      |      |      |      |      |
| Advertising      | 2000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 |

|                     |        |       |       |       |       |       |       |       |       |       |
|---------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Expenses</b>     |        |       |       |       |       |       |       |       |       |       |
|                     | 25920  | 8020  | 8020  | 8020  | 8020  | 8020  | 8020  | 8020  | 8020  | 8020  |
| <b>Income</b>       |        |       |       |       |       |       |       |       |       |       |
| number of unit sold | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |
| Unit price          | 200    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |
| Sale                | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |
| <b>Profit</b>       | -25920 | -8020 | -8020 | -8020 | -8020 | -8020 | -8020 | -8020 | -8020 | -8020 |

## Year 2

|                                  | amount | January | February | March | April | May  | June | July | August | September | October | November | December |
|----------------------------------|--------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| <b>Employees</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Salesperson                      | 1      | 3000    | 2500     | 2500  | 2500  | 2500 | 2500 | 2500 | 2500   | 2500      | 2500    | 2500     | 2500     |
| Programmer                       | 1      | 3000    | 2500     | 2500  | 2500  | 2500 | 2500 | 2500 | 2500   | 2500      | 2500    | 2500     | 2500     |
| <b>Material</b>                  |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Computers                        | 7      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Printer                          | 2      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Fax                              | 1      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Telephones                       | 5      | 0       | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| Mobile                           |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Phones                           | 5      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Software                         | 5      | 0       |          |       |       |      |      |      |        |           |         |          |          |
| 147                              |        |         |          |       |       |      |      |      |        |           |         |          |          |
| <b>Rents</b>                     |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Office                           | 1      | 500     | 500      | 500   | 500   | 500  | 500  | 500  | 500    | 500       | 500     | 500      | 500      |
| Utilities: water,<br>electricity |        | 100     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| <b>Insurance</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Property                         |        | 40      | 40       | 40    | 40    | 40   | 40   | 40   | 40     | 40        | 40      | 40       | 40       |
| <b>Subcontracting</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Testing equipments               |        | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Cleaning                         |        | 100     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| <b>Other Expenses</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Maintenance                      |        | 50      | 50       | 50    | 50    | 50   | 50   | 50   | 50     | 50        | 50      | 50       | 50       |

|                 |    |    |    |    |    |    |    |    |    |    |    |    |    |
|-----------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Furniture       | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Office supplies | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Security        | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Website         | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Licensing : ISO | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |

|                     |       |       |       |       |       |       |       |       |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Marketing</b>    |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Advertising         | 1000  | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   |
| <b>Expenses</b>     | 7910  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  | 6510  |
| <b>Income</b>       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| number of unit sold | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   |
| Unit price          | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    |
| Sale                | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 | 15000 |
| <b>Profit</b>       | 7090  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  | 8490  |

### Year 3

|                                  | amount | January | February | March | April | May  | June | July | August | September | October | November | December |
|----------------------------------|--------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| <b>Employees</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Salesperson                      | 2      | 6000    | 6000     | 6000  | 6000  | 6000 | 6000 | 6000 | 6000   | 6000      | 6000    | 6000     | 6000     |
| Programmer                       | 3      | 9000    | 9000     | 9000  | 9000  | 9000 | 9000 | 9000 | 9000   | 9000      | 9000    | 9000     | 9000     |
| <b>Material</b>                  |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Computers                        | 3      | 3000    | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Printer                          | 2      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Fax                              | 1      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Telephones                       | 3      | 450     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| Mobile                           |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Phones                           | 3      | 600     | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Software                         | 5      | 0       |          |       |       |      |      |      |        |           |         |          |          |
| <b>Rents</b>                     |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Office                           | 1      | 800     | 800      | 800   | 800   | 800  | 800  | 800  | 800    | 800       | 800     | 800      | 800      |
| Utilities: water,<br>electricity |        | 150     | 150      | 150   | 150   | 150  | 150  | 150  | 150    | 150       | 150     | 150      | 150      |
| <b>Insurance</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Property                         |        | 40      | 40       | 40    | 40    | 40   | 40   | 40   | 40     | 40        | 40      | 40       | 40       |
| <b>Subcontracting</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Testing equipments               |        | 100     | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Cleaning                         |        | 100     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| <b>Other Expenses</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Maintenance                      |        | 50      | 50       | 50    | 50    | 50   | 50   | 50   | 50     | 50        | 50      | 50       | 50       |

|                 |      |    |    |    |    |    |    |    |    |    |    |    |    |
|-----------------|------|----|----|----|----|----|----|----|----|----|----|----|----|
| Furniture       | 1000 | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Office supplies | 50   | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Security        | 50   | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Website         | 20   | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Licensing : ISO | 0    | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |

|                     |       |       |       |       |       |       |       |       |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Marketing</b>    |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Advertising         | 1000  | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   | 500   |
| <b>Expenses</b>     | 22410 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 | 16860 |
| <b>Income</b>       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| number of unit sold | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  |
| Unit price          | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    | 30    |
| Sale                | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 |
| <b>Profit</b>       | 7590  | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 | 13140 |

## Year 4

|                                  | amount | January | February | March | April | May  | June | July | August | September | October | November | December |
|----------------------------------|--------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| <b>Employees</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Salesperson                      | 3      | 9000    | 9000     | 9000  | 9000  | 9000 | 9000 | 9000 | 9000   | 9000      | 9000    | 9000     | 9000     |
| Programmer                       | 3      | 9000    | 9000     | 9000  | 9000  | 9000 | 9000 | 9000 | 9000   | 9000      | 9000    | 9000     | 9000     |
| <b>Material</b>                  |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Computers                        | 1      | 1000    | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Printer                          | 2      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Fax                              | 1      | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Telephones                       | 1      | 150     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| Mobile                           |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Phones                           | 1      | 200     | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Software                         | 5      | 0       |          |       |       |      |      |      |        |           |         |          |          |
| <b>Rents</b>                     |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Office                           | 1      | 800     | 800      | 800   | 800   | 800  | 800  | 800  | 800    | 800       | 800     | 800      | 800      |
| Utilities: water,<br>electricity |        | 200     | 200      | 200   | 200   | 200  | 200  | 200  | 200    | 200       | 200     | 200      | 200      |
| <b>Insurance</b>                 |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Property                         |        | 40      | 40       | 40    | 40    | 40   | 40   | 40   | 40     | 40        | 40      | 40       | 40       |
| <b>Subcontracting</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |
| Testing equipments               |        | 0       | 0        | 0     | 0     | 0    | 0    | 0    | 0      | 0         | 0       | 0        | 0        |
| Cleaning                         |        | 100     | 100      | 100   | 100   | 100  | 100  | 100  | 100    | 100       | 100     | 100      | 100      |
| <b>Other Expenses</b>            |        |         |          |       |       |      |      |      |        |           |         |          |          |





## Year 5

|                               | amount | January | February | March | April | May   | June  | July  | August | September | October | November | December |
|-------------------------------|--------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|
| <b>Employees</b>              |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Salesperson                   | 2      | 6000    | 6000     | 6000  | 6000  | 6000  | 6000  | 6000  | 6000   | 6000      | 6000    | 6000     | 6000     |
| Programmer                    | 4      | 12000   | 12000    | 12000 | 12000 | 12000 | 12000 | 12000 | 12000  | 12000     | 12000   | 12000    | 12000    |
| Designer                      | 1      | 3000    | 3000     | 3000  | 3000  | 3000  | 3000  | 3000  | 3000   | 3000      | 3000    | 3000     | 3000     |
| <b>Material</b>               |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Computers                     | 1      | 1000    | 0        | 0     | 0     | 0     | 0     | 0     | 0      | 0         | 0       | 0        | 0        |
| Printer                       | 2      | 0       | 0        | 0     | 0     | 0     | 0     | 0     | 0      | 0         | 0       | 0        | 0        |
| Fax                           | 1      | 0       | 0        | 0     | 0     | 0     | 0     | 0     | 0      | 0         | 0       | 0        | 0        |
| Telephones                    | 5      | 0       | 100      | 100   | 100   | 100   | 100   | 100   | 100    | 100       | 100     | 100      | 100      |
| Mobile                        |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Phones                        | 5      | 0       | 0        | 0     | 0     | 0     | 0     | 0     | 0      | 0         | 0       | 0        | 0        |
| Software                      | 5      | 0       |          |       |       |       |       |       |        |           |         |          |          |
| <b>Rents</b>                  |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Office                        | 1      | 1000    | 1000     | 1000  | 1000  | 1000  | 1000  | 1000  | 1000   | 1000      | 1000    | 1000     | 1000     |
| Utilities: water, electricity |        | 250     | 250      | 250   | 250   | 250   | 250   | 250   | 250    | 250       | 250     | 250      | 250      |
| <b>Insurance</b>              |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Property                      |        | 40      | 40       | 40    | 40    | 40    | 40    | 40    | 40     | 40        | 40      | 40       | 40       |
| <b>Subcontracting</b>         |        |         |          |       |       |       |       |       |        |           |         |          |          |
| Testing equipments            |        | 0       | 0        | 0     | 0     | 0     | 0     | 0     | 0      | 0         | 0       | 0        | 0        |
| Cleaning                      |        | 100     | 100      | 100   | 100   | 100   | 100   | 100   | 100    | 100       | 100     | 100      | 100      |
| <b>Other Expenses</b>         |        |         |          |       |       |       |       |       |        |           |         |          |          |

|                 |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|-----------------|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Maintenance     | 50  | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Furniture       | 500 | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Office supplies | 50  | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Security        | 50  | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Website         | 20  | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Licensing : ISO | 0   | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |

**Marketing**

|             |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Advertising | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  | 1000  |
|             | 25060 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 | 23660 |

**Expenses**

**Income**

|                     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| number of unit sold | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  |
| Unit price          | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    | 25    |
| Sale                | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 | 75000 |
| <b>Profit</b>       | 49940 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 | 51340 |



*“The Freedom of Information”*

## **Business Document and Information Conversion Solution**

### **Business Plan**

**September 2004**

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# 1 Executive Summary

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*IkonVert – “The Freedom of Information”*

## Industry

Information is the driver of 21<sup>st</sup> Century society and has become a crucial element to every person and business. Information Technology has grown alongside this phenomenon to support the acquisition, processing and dissemination of information. However due to the variety of information systems used, with each developing their own data storage standards, a technological limitation has also arisen. The problem is one of incompatibility between file formats used to store information.

*A publisher needs to include an article from an external third party source, but this article is in a format which they cannot open. The article is a rich collection of textual and graphical information that needs to be edited and included in the soon to be published magazine.*

## Products

IkonVert acts as an intermediary between users of different applications and systems, converting the data as necessary into compatible formats. It is an enabler of communications in an information environment that is heterogeneous by nature. IkonVert offers a versatile and evolutionary product portfolio based on the core IkonVert solution.

- Service provisioned document conversion through a web based application
- Dedicated on site document conversion through remote deployment of the IkonVert solution
- Hybrid approaches whereby on site conversion functionality is supplemented by service provisioned conversion where required

## Mission

Our mission is to establish a significant presence in the digital document conversion market. We seek specifically to become the prominent business document conversion solution in Finland and the region. We will do this by establishing competitive value models in the market for document conversion.

## Business Model

IkonVert is committed to providing a technologically advanced solution that recognizes basic data conversion requirements and provides the capability to support specialized needs. This flexibility expands our potential market and resulting sales prospects. Our commitment also extends far beyond product

sale through significant investment in product updates and support. These service oriented sales will provide a steady, and in the long term significant, revenue stream. To attain this we are looking to secure financing for the research and development of the solution. We are also looking to form strong partnerships which support both technical development and customer adoption of the solution.

### **Competitive Advantage**

The market for comprehensive and flexible document conversion solutions is still relatively young. Competing systems generally focus on specific documents or particular clients, and there exists a particular lack of any regional suppliers of quality solutions within Finland and the region. IkonVert will provide a technically superior, cross platform, customizable and extensively supported business oriented conversion solution.

### **Target Market**

The target market of this business to business solution will be companies requiring highly specific and specialised conversion functionality in a solution that is flexible enough to support the custom needs of specific clients. Initial targets will be news and magazine publishers as well as banks, insurance and other financial institutions.

### **Capital Injection**

The IkonVert management estimates that there will be need for approximately €x.x million in order to successfully implement the full rollout of commercial strategy.

- Maximise the technological superiority of the solution through intensive investments in the planning and development of the technical product
- Create required value benefits for business clients including investments in support and customization possibilities.
- Increase strategic marketing capabilities through acquiring skilled personnel base and aggressively expanding distribution channels.

## **2 Business Strategy**

---

### **2.1 Objectives**

The immediate objective is to focus on the research and development of a technically exceptional and comprehensive conversion solution. This R&D will run alongside a sales and market effort to acquire technical, marketing and distribution partners in Finland and wider Europe. The solution development will be extensible in such a way that limited systems with basic features may be marketed and sold while development continues on more advanced functionalities. These initial deployments will focus on the local Finnish market and those target groups who's requirements are met by basic conversion functionality. This will increase market awareness of our solution, provide our marketing and sales effort deployment cases and value models, in addition to providing an initial revenue source to the business.

In the longer term as more advanced modules and functionalities become available, the marketing will shift to those target groups with more comprehensive requirements for data conversion. Also the marketing of the product will be expanded regionally within the Nordic or European area once we have established a local presence.

### **2.2 Solution Overview**

#### **The Problem of Incompatibility**

The problem is one of incompatibility. Users and businesses are interested in information and this information is often stored in a digital format that is interpreted by applications and devices. However this data format and interpretation is usually application specific, therefore both the user creating and user viewing the information must use the same or a compatible application. In the real world consumer and business environment where a diversity of applications are used this imposes constraints on both the creation and viewing of information. The end result is that there is an impediment to the easy sharing of digital information.

#### **The Solution in Conversion**

A system for converting data between different formats provides the fastest, most comprehensive and cost efficient solution to this problem. It is fast because it does not need the user to make any additional requests from the data source nor try to acquire a compatible application. Additionally the system covers a comprehensive range of formats and conversions allowing the client to access data even in cases where the data is in an unexpected format. It is cost efficient because it allows the user to continue leveraging their existing IT infrastructure and applications, while using the conversion service as the necessary interface to any incompatible data.



The result of the conversion system from the users perspective must solve the key objective of *removing technological barriers to the free flow of information*. A service capable of successfully transforming data between different formats would provide this.

As can be seen from the more detailed coverage of this report, the solution provides a clear set of business benefits by ensuring that clients can interact effectively and efficiently with other organizations and entities. It also supports the provision of extra-value features specific to the requirements of certain clients such as security and pricing structures. The nature of the system allows it to expand to alternative solutions for specific applications like mobile phone video conversion processing.

### **2.3 Mission Statement**

The IkonVert concept is based on the fundamental requirement of communication. Communication between people, between people and organizations and between organizations themselves. IkonVert as a company and service is dedicated to the conversion and transformation of digital information in order to make such information more accessible to our clients. We strive to provide a reliable, comprehensive and flexible solution that will provide value to our customers and establish us as a prominent regional player in the market.

Our mission is to establish a significant presence in the digital document conversion market. To attain this we are looking to secure financing for the research and development of the solution. We are also looking to form strong partnerships which support both technical development and customer adoption of the solution.

### **2.4 Vision, Philosophy and Values**

What our clients will immediately notice is that IkonVert is more than just an idea, a product, or a set of people striving to provide a superior solution. It is a corporate philosophy whereby we strive to drive value to our customers and support their needs in a personal and friendly way.

The IkonVert team was created with the realization that individuals and companies today face significant limits in their capability to share knowledge. Our vision was to address this limitation and allow our clients to maximise the utility gained from IT and the digital storage and sharing of information. We believe that Information Technology should provide users with the ability to freely view, edit and distribute thoughts and ideas – this is the cornerstone of the Information Age. We also believe that businesses should ensure that their employees have this ability.

IkonVert makes a difference to people's lives by creating simple and innovative services that help people communicate and interact better. In addition to our philosophy, we have five values that help us deliver our philosophy through the way we behave.

#### *Refreshing*

We constantly look to do things differently and in a better way. We give colour to all that we do. We are ready to push the boundaries and take risks.

#### *Honest*

We are always open and honest. We say what we do and we do what we say. We have nothing to hide and we behave responsibly.

#### *Straightforward*

For us, clarity comes through simplicity. We recognise that we are people communicating with other people. We are always direct and easy to understand.

#### *Dynamic*

We want to make a difference to people's lives. Our optimism is contagious. We are passionate about what we do and we have confidence in ourselves.

#### *Friendly*

We enjoy working and succeeding together by building close relationships. We have a clear sense of purpose and we consider the needs both of our customers and of each other.

## **2.5 Core Competencies**

Our success is engrained in the devoted and enthusiastic management who initiated the very idea of IkonVert. It is supported by our endeavour to seek to become the very best solution on the market through commissioning talented personnel and creating a corporate culture whereby our clients needs are personalised and integrated into the very development of our solution.

## **2.6 Competitive Advantage**

The market for comprehensive and flexible document conversion solutions is still relatively young. Competing systems generally focus on specific documents or particular clients, and there exists a particular lack of any regional suppliers of quality solutions within Finland and the region. IkonVert will provide a technically superior, cross platform, customizable and extensively supported business oriented conversion solution.

## 3 Market Analysis

---

### 3.1 Overview

The market for the data conversion solution is significant and wide, encompassing the majority of users and businesses that are invested in Information Technologies. Although a great number of potential users exist there exists specific target groups to whom an effective and efficient data conversion solution adds the greatest value. Targeting such groups which are also of significant size will ensure successful sales with good margins.

The following section will outline the analysis of the data conversion market in Finland and wider Europe. The result is a focus on a few key market segments.

- Businesses in IT related fields (Software, Technology, Communications) with 10 to 50 employees and who have significant associations with customers or business partners requiring information interchange, and who need to distribute information for wider viewing
- Businesses non necessarily IT related (Finance, Insurance) with 50 to hundreds of employees, who are heavily information based and/or multinational, with links to other businesses / organizations / government, and with significant value placed on security and efficiency
- Government ministries / departments who need to share documents with other government units / foreign governments / non-government organizations using differing IT implementations, and/or disseminate internal documents to the population, and who place significant value on security and efficiency

### 3.2 Industry Analysis

Document conversion has been defined as “..the process of converting files/documents from one data format to another intended for the purpose of cross compatibility”

There are many established, ‘brand name’, competitors currently in the wider world industry, but few in the local Finnish industry for this sector. However, these companies have existing products, which they are trying to use in order to leverage the conversion market. Not only are many of these products of poor quality and standards, not meeting the true needs of the companies, they are mostly spin-offs and add-ons’ to existing products and services. Taking the example of the Finnish Postal Service, their conversion service is clearly not the main service which the Post are attempting to make profits from. It’s just an additional add on benefit offered to try gain a little more market share

from their other main enterprise solutions. Further, these companies charge high prices for their technology. IkonVert lets people get more of their work done with their PCs, send and receive documents without having to ask for files in specific formats, and brings an end to halts in work altogether when essential documents cannot be opened.

Most importantly, roughly 98 percent of all business to business enterprises and government institutions have all the equipment they need on their desks today. There is no need to purchase new equipment or software. The majority of Finland's companies have yet to purchase modern document conversion systems or document management systems.

No dominant players currently exist as most companies rely on alternative methods for receiving their documents in the required formats. While there are some enterprises entering the market, no one can claim to have significant market share. We do not have existing products that we are trying to preserve as we enter the market, therefore customization and flexibility are easily achieved. Our initial targets are small to medium business: large companies, which are the traditional target markets of the major competitors, will become a secondary focus. IkonVert is adopting a strategy whereby we will focus on the smaller companies that surround the large company systems, building on our successes. These victories, and simplicity coupled with the cost effectiveness of our solution will eventually attract larger companies. Functioning in the shadows while we are building a brand name recognition, establishing trust relationships and capturing market share will insulate us in the developing phases of growth. Our cost advantage is greater so we do not have to compete for high margin contracts to be successful.

We believe that IkonVert will become a leader in document conversion, by maintaining low prices, professional service, and capturing significant market share. This success will propel IkonVert to position itself as the premier portal for the business to business community.

### **3.3 Market Size**

#### **3.3.1 Enterprise**

Conclusions that can be made from the table "Use of the Internet in enterprises by economic activity and size class in 2000" are as follows. Companies most active in the use of internet society within their business are businesses in the service industry. The percentage of these enterprises using the internet with 10+ employees is over 90%.

As can be seen from the table representing the trends in turnover in the information sector it can be seen that the turnover for the production of services is steadily increasing. This is a good indicator that the industry is currently in an upward trend.

Current competitors are capitalizing on market demand for this new service capability and are charging premium prices.

### 3.3.2 Government

The Government is structured into different Ministries. There are 13 main Administrative branches within the Ministries. The main ministries within the government that might be potential target groups are:

- Ministry of Education (Opetusministeriö) – MoE
- Ministry of Finance (Valtiovarainministeriö) – MoF

The Ministry of Education seems to be the one which has the most use of the information communication technology. There are two ministers at the Ministry of Education: the Minister of Education and Science is in charge of matters relating to education and research; the Minister of Culture is responsible for matters relating to culture, sports, youth, copyright, student financial aid and church affairs.

#### Use of Information Technology

The MoE have the largest variety of operating systems of personnel workstations. There is a majority using the Microsoft Windows operations system. 4.6% of the workstations are MacOS, 2.2% Unix Based, 7.3% Linux based, 0.2% Thin clients, and 1.9% other. This is a total 11.6% of users not using the Microsoft Windows OS. This means that these users will need the conversion services so that they can view certain files that they receive from these people (and of course the other way around). So this is a fairly large potential for the use of this service within the Ministry of Education itself. Then there is also the entire Government which the MoE could need the use of the data translation service. People sending files in formats not readable in their workstations can convert the data into a format that they can.

#### Finance

It should be noted that the government market is price sensitive because budgets are determined by other government committees external to the individual sectors, and often have to wait in line for funding IT projects or in some instances have to wait for the next budgetary cycle.

The MoE have a total of 94.7 million euros (17.7% of their budget) on expenditure for information technology, of which 15.5 million euros is expenditure for purchases of services. So the finance of the data translation service seems to be fairly reliable. They Ministry have the resources to fund such a service if they have a need for it.

## Sharing of information

The MoE also works with a lot of outside organizations. There is a total of 106 outside organizations that they provide electronic services to. These include the target groups:

- Citizens (68 organizations)
- Companies (28 organizations)
- Authorities (28 organizations)
- Mobile Services (9 organizations)
- Utilize PKI (5 organizations)

*Note:- The data for the above section was obtained from:*

*Review on ICT within the Government of Finland 2002  
ISSN 1455-7614  
ISBN 951-804-382-5  
Ministry of Finance, Finland  
Public Management Department 2003.  
54 s.*

*Also available in digital form at:  
<http://www.vm.fi/tiedostot/pdf/en/40756.pdf>*

### 3.3.3 Value Metrics

Target groups define the expected adopters of the service. The specifics of the provided service, the value metrics, are used to differentiate the service across the different target groups. These parameters define additional functionality, features and implementation that offer additional value to specific groups and can also be a basis for price differentiation.

#### Value Metrics

- Security of the converted documents during the conversion process
- Speed of the conversion process
- Accuracy with which documents are converted between formats, including appropriateness of substitutions where features in the source format are unavailable in the destination format
- Ease of use across a range of functionalities and use cases such as single file and multiple file conversions
- The range of formats for conversion
- Support for different operating environments and clients
- Implementation flexibility (remote service, local server service)
- Price and pricing structures (e.g. unit cost, time based flat rate)
- Assurance for implementation of future formats (provide contractual protection to clients wishing to secure their system investments)

- Technical support options and provisions
- Provision of customization, automation and integration options (into existing software, solutions and business processes)
- Real-time and specialized implementations (e.g. audio, video and image size reduction for low bandwidth mobile internet users)

### **3.4 Competitor Analysis**

There are many competitors in the current market of the IkonVert service concept. However, there seem to be very few designed for our target audiences.

Out of the numerous competitors two of the most prominent competitors were chosen which would be the major competitors to the IkonVert service. Many of the other competitors of the service were had very poor services and meet very few needs for the user groups. Also, it was noticed many were lacking visual attributes and basics needed to sell the services.

#### **3.4.1 eBox**

The main competition for the IkonVert service is from the Finnish Post Corporation, Posti. Posti provide a service called eBox. The primary goal of this service is the interchange of data between partners independent of the data's content or file format. The eBox service includes a format conversion service, enabling the recipient to receive files in a preferred format. The service is entirely internet-based, using secure methods for data protection (such as using HTTPS-protocol and SSL), so that business can use it for business-critical information requiring high data security.

#### **Strengths**

Strengths of the eBox service are high consumer confidence and trust. The Finnish Post has an enviable reputation, which make purchase of products an easy decision for a manager, despite the very high prices that the service may have. The company has an understanding of the general business to business profession and access to the document conversion market through existing relationships. These relationships have been the main source of clients for their eBox service. Posti also have huge financial resources to flood market with their service compared to IkonVert.

#### **Weakness**

General business to business knowledge doesn't substitute for this specific market channel. The rapidly changing Internet often outpaces the adaptation curves of large companies such as Posti. Also, the companies' fees are extremely expensive, and would be an obstacle to all but the large

companies. A major weakness for the eBox service is that its main purpose is not document conversion, which is marketed as an add-on advantage to the main service which is electronic transfer of data. Although document transfer is highly integrated into the document conversion this is not the main idea behind the IkonVert solution. Whereas Posti is offering document transfer services with their document conversion service, IkonVert has nothing to do with the actual transfer of documents between companies, just in the conversion of these documents. The business we are targeting will already have their own transfer methods in place for the transfer of documents. IkonVert offers flexibility of this already functioning system by offering document conversion of transferred documents. With the Posti eBox service the company would have to give up their document transfer system and adopt the Posti solution, which would allow them to convert the documents, something companies will not easily be willing to do. Secrecy, privacy, and security these days are extremely important for small/medium businesses, as well as the government. Businesses have an obligation to their clients, and to themselves, to keep documents safe from unauthorized access, which could have severe re-precautions if documents are not secure. With the IkonVert solution the company is in control of the security of their documents, and is guaranteed that they are secure and safe.

The table, Uses made of the Internet in 2000, shows how enterprises of over 5 employees are using the internet. The point to be highlighted from this is that only about 45% of enterprises are using it for receiving goods in digital form. This means that in a web-based competitor services such as eBox are not making an impact on the market for data conversion. Companies don't seem to be using the online solutions for the problem faced.

### 3.4.2 Other Industry Players

Other than Posti there are no other companies located within Finland, or for that matter greater Europe, which offer dedicated document conversion solutions. Most of the document conversion stems from the United States of America, which is where most of the larger file formats are developed, as this is the leading global industry for information technology products and services. The European industry must currently rely solely on purchasing software applications which convert the document types that they require. In some cases this brings more problems than a solution to their conversion problems. The industry is not standardised, there are no standards defining file types and conversion protocols. This has led to many companies producing sub standard software, which while converting documents, creates poorly converted and formatted output. This can lead to serious problems in misinterpretation, and wasted hours re formatting documents. Currently there are many different types of conversion software, some attempting to specialise in specific formats and differentiating (such as conversion of PC files to MAC format and vice versa). However, much of these players have taken the software approach to the problems faces, whereas IkonVert is taking the service approach. The main competition which could be a threat to IkonVert come from companies which also focus their efforts on the service



approach. The major players that could threaten the market share for our solution are ePrint Stellant Outside In.

### 3.4.3 ePrint

<http://www.eprintdriver.com/>

One competitor that is offering a competitive service meeting the same needs as the IkonVert service is ePrint. They offer a service to convert between 140 different document formats. The user orders the product from various sources (internet, email, telephone) and will be charged a fixed rate for the product. For larger orders there is volume pricing where the user benefits from larger orders.

#### Strengths

The competitor's strengths are that they offer the user a wider range of services after the initial file conversion. The ePrint service offers users the following features.

##### **Control PDF Options when Converting Files**

This allows users to control different options for the converted PDF. For example it allows users to embed Fonts into the files so that that PDF can be viewed even if the particular font is not installed. Also it has options allowing watermarking documents, compression, and security features.

##### **Emailing**

This allows users of ePrint to configure the service to send documents or images to an email recipient or an entire list of e-mail recipients. It allows the distribution of information in standard formats, converting the information the user is sending into the selected format.

##### **Screen Capture Utility**

Allows users to capture a screen and convert it into different formats.

The above mentioned features are the strengths of the ePrint service over the IkonVert service. The advanced features allow the users of the ePrint service more distribution options for their completed converted documents.

Other strengths of the ePrint service are that it offers integration and customization of its service. However users will require a separate more advanced version of the service. It will allow the user to customize many features of the ePrint service to meet the user's own needs. Examples include custom dialog boxes, edit menus, and system defaults.

The ease of use of the ePrint service over competition is a further strength. The service has an easy to use GUI and layout and information has been well planned. However, this is mostly a strength over other competitors and places ePrint above other competitors, as IkonVert's service is also easy to use.

A final strength of the ePrint service is that they provide a support for the users of the service. There is an online e-support knowledge base where help can be sought, as well as the technical support department who provide customer support services.

### **Weaknesses**

Analyzing the criteria set to compare the competition to the IkonVert service weaknesses of the competitions service can be evaluated. One such weakness is that the ePrint service only offers support for the Windows OS, whereas the IkonVert has support for a much larger range of operation environments. This means that the IkonVert service has an advantage to users of being more flexible. Even though Windows OS's are the most common and largely used operation environments there is still a large user base not operation under Windows, especially many businesses who use different OS's for different tasks.

Another weakness of the ePrint is that they offer no online services, and only sell the individual software to run on a separate machine. There is no server-based application of the ePrint service, meaning that the product must be purchased for all machines and installed on all of them. This uses up more resources and offers little flexibility for the users.

Other areas that ePrint's service is inferior to that of IkonVert is that there is no upgrading possibility for the service. This means that the product will not be compatible with future document formats. New or modified formats will not be available in the ePrint service, meaning the services life will be shorter as users will have to purchase new versions of the ePrint to get the compatibility with new formats.

### **3.4.4 Stellent Outside In**

<http://www.stellent.com/>

A second competitor in the document conversion service aimed at the same market segment as IkonVert is Stellent with their Outside In service. This service is a fully online service. They offer document conversion for uploaded documents into various formats. They also offer wireless services integrated into the conversion service, which is not offered by IkonVert.

### **Strengths**

A major strength of the Outside In service is that it offers wireless data conversion. For applications that require wireless access to documents, Stellent Outside In Wireless Export technology transforms business information into a wireless compatible version, ready for transmission to wireless devices. This service supports many wireless data formats as well as 225 file formats. This feature makes the Stellent Outside In service more flexible in some circumstances where the user will can convert to wireless

data formats. The IkonVert service does not support or convert to these wireless formats, meaning that it loses out on some of the business user base who may want this service available. However, it should be noted that this is an added feature, and is not the prime objective of the IkonVert service, but as the Stellent Outside In also provides this service is an advantage.

Another strength of the Stellent Outside In service is that it meets many of the value parameters set for the IkonVert service, these including server and desktop access, speed and accuracy.

All these are features of the Stellent Outside In service, making it level with the IkonVert service with these issues.

There is also comparatively good support for the service. There is easily accessible user help that is targeted for the users, as well as support staff at Stellent who can be contacted for technical support. An added advantage is that there is support in many different countries around Europe, and even though the service is based in America, there is support and access to the company and their services in other countries.

### **Weaknesses**

A weakness of the Stellent Outside In service is that there are very few security features to protect documents. As the service is online, users must upload their files to the company for conversion meaning that there are numerous security vulnerabilities that can be breached. As it is not secure transfer, hackers can obtain the documents. Also, the service works on user accounts meaning that hackers can also gain access to user accounts online. Further security vulnerability is that at the services end. Employees may have access to the documents as well meaning a certain amount of trust must be given to Stellent. So, security is a large downfall of the Stellent Outside In service.

Since the Stellent Outside In service is fully online, this means that it is susceptible to lapses in the Internet. If the servers of the service provider for either the user or Stellent (or if Stellents servers) go down, the user will have no access to the services. The user must have a reliable and fast link to the Internet to access the services. This weakness can cause major problems for users if the services are offline for long periods of time, and the user has no control over the service. Since the user will have less control over the service it places them at a disadvantage, which is a big weakness.

An additional weakness of the competitor service is that there is no possibility of user customization. The user has little input into the layout and design of the IkonVert service. Even though there is a good layout and design the user may be used to some different layouts, and may want some things differently, but with this service that is not possible.

One final weakness of the Stellent Outside In service is that their web pages are poorly designed. There are endless bad links throughout the site making it difficult to find the information that is needed.

## 4 Operating Plan

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### 4.1 Legal Entity and Name

The company will be incorporated in the Republic of Finland as a private Limited Liability Company (LLC) with the name "IkonVert".

### 4.2 Ownership

Management ownership of the company will be split equally amongst the Executive Directors. An amount will be allotted to be provided as share options to employees, and to be distributed at the discretion of the management. The remaining ownership will be used to facilitate raising of initial capital investment. An example distribution of ownership would be:

- 30% for executive management (10% x 3)
- 5% share options for employees
- 65% for financing / investment

### 4.3 Location and Facilities

The company will be located in the city of Turku. Not being the capital city means that the cost of office space and other amenities are lower compared to the East of Finland, especially Helsinki. Nevertheless the location is only one and a half hours from the capital, an important consideration as the majority of our local clients will probably be based from there. Turku also provides sufficient technology and Internet services to support the development and initial growth of our company.

<incomplete>

## 5 Marketing and Sales Strategy

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### 5.1 Products and Services

Productivity and profitability. It is what every corporation strives to achieve. At IkonVert, we share in that mission by assisting business in structuring and developing that mirror and support their physical operations. We assist in creating and maintaining an operational synergy among the company's human, financial and information resources in a comprehensive data format conversion. From home-based business to large corporations, Information Technology communication and management will play a fundamental role in achieving success in both nationwide and probable global marketplaces. IkonVert offers what business firms need, when they need it, through quality products, services and consulting expertise. The main IkonVert product characteristics are

- Efficient and trusted internet data format conversion tool most reliable due to its accuracy, ease of use and a variety of support services that is accessible either by online service, phone or monthly customer check.
- Delivers a full array of technical training options that enable organizations to better protect vital information.
- Reduces security risks and maximizes the return on security and training investments by helping organizations develop and maintain internal security knowledge.
- Provides employee security awareness programs that enable organizations to effectively communicate to all levels of the workforce on a wide range of security topics, encouraging appropriate behaviour and reducing internal security vulnerabilities.

<incomplete>

## 6 Company and Management Structure

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The company management consists of the following individuals:

- *Majid M. Almaskati – Founder and Chief Executive Officer (CEO)*
- *Ebrahim Maskati – Vice-President and Chief Technology Officer (CTO)*
- *Julie Mamaril – Director of Marketing and Sales*

### 6.1 Executive Profiles

#### **Majid M. Almaskati**

*Founder and CEO*

As a founder of IkonVert, Majid M. Al Maskati is the President and CEO. Mr. Al Maskati provided the vision for creating a nationwide community-driven network for data format conversion of Information Technology best practices and will continue to set the strategy that guides the company into the future.

In this role, he provides strategic direction and sales, business management, project management and systems engineering. Majid is best known for building strong engineering teams and for his ability to select the best of breed technologies and solutions long before they are the status quo. This allows IkonVert to gain the respect of the best network and data format conversion software vendor in the world as they all approach us first to represent them.

Driven by his own motivation to expand the Company and target for a wider Target market that will launch IkonVert to be the leading Data format conversion software, Majid aims to led the company from an innovative concept into a profitable online business serving millions of IT and business professionals and hundreds of possible IT clients worldwide.

#### **Ebrahim Maskati**

*VP and Chief Technology Officer*

As the co-founder, Ebrahim is the Vice-President and the Chief Technical Officer of IkonVert. Eppu ( as most people call him ) is best known for his dedication to perfection and absolute mastery of the products conversion software Technology, professional colleagues and close references recommends where in most cases he knows them better than the vendor's best technical support.

His main responsibilities include developing the product strategy and driving growth of the IkonVert network. His expertise relies on his wide knowledge on technical applications. Being exposed to a variety of courses, experiences both from his Educational attainment and technical environment, Ebrahim is the company's Technical and software expert. He has the ultimate respect of

many of top corporations by designing, deploying, and supporting their most complicated and stable information and data format conversion solutions. He oversees product development and product operations, ensuring the Company's network delivers the optimal community experience for satisfying IT information needs. In this role, he is also responsible for developing, managing, coaching, and mentoring over 90 account executives and managers. In this capacity, Mr. Maskati developed strong online communities and a comprehensive range of valuable content and interactive services.

Ebrahim Maskati guides the company's execution overseeing daily operations, directing company-wide implementations, and ensuring long-term business growth.

### **Julie Mamaril**

*Director of Marketing and Sales*

Prior to joining IkonVert, Julie had her work as an Administrator assistant where she had her share of the IT business and an extensive training for networking and software engineering for her educational successes. She has a diverse technical and sales background holding jobs with Globe Telecom, Linea Italia and Rolls-Royce. Julie's combination of sales and engineering has allowed her to be more of a Solutions Consultant. She is best known for actually understanding the systems she recommends a unique quality in the technology sales arena.

Since joining IkonVert, Julie has a responsibility to quickly learn the numerous solutions to be able to present and sell them to the customers. She needs to carry on with the marketing, trade fairs for the company and solution sales. Additional responsibilities includes, product development, product operations, and product marketing, ensuring the IkonVert network delivers the optimal community experience for satisfying IT information needs. With this, Miss Mamaril has developed strong online communities and a comprehensive range of valuable content and interactive services.

Presently, she is working on the company's staffing and will continue to educate and motivate new comers to be an advantage and support to the company's mission to expand and be of service to a wider market arena.



## 7 Financial Strategy

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<incomplete>

## 8 Risk Analysis

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There are many risks that have to be analyzed, as in any situation. The ultimate goal of IkonVert's safety and security policy is ensuring the confidentiality, availability, and integrity of the information that businesses consider sensitive and important. An appropriate security architecture and security management functions including people, processes, and technology. This section includes only a limited list of the most viable and likely risks that IkonVert could possibly face.

### Information Security

One of the major risks that IkonVert face is the security of the information. Potential customers must be able to trust that their information is safe and secure at all times. There are many factors which could be a risk to the security of the information, not only from unauthorized access, but loss of this usually business critical information. These include, but are not limited to

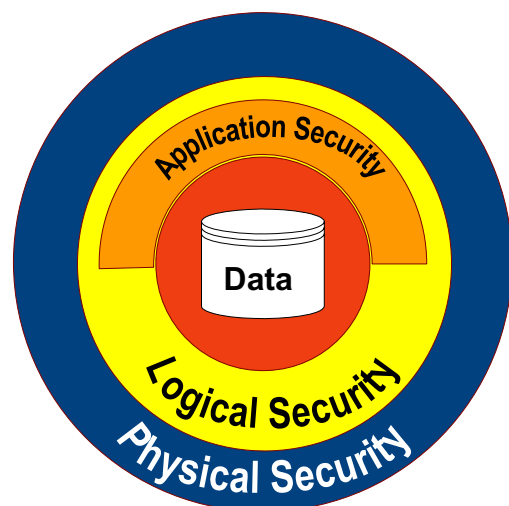
- Hacking - for example, by competitors to gain secret company information of the clients.
- Employees – could try to access information to black mail IkonVert or clients.
- Viruses and Worms
- Natural Disasters – most likely in Finland would be flooding, as witnessed summer 2004.
- IT system crashes

Solutions that could secure the information and reduce the risk are:

**Intruder Detection** – the IkonVert solution could be designed to include safety measured which can detect if an intruder outside their access rights is trying to get into the system

**Anti-Virus Solutions** – antivirus software will of course have to be integrated within the IkonVert system to insure that no viruses can enter into the system.

**Periodic Security Analyses** – the security of the system should be periodically analyzed. As this is a new service there is a heightened risk for the IkonVert service as it will be a newly developed system, meaning that there is a chance of security holes within the system. Analyzing the system only once is not enough, as it is developed in conjunction with customers, also the security should be analyzed to be sure that it follows the changing system and



technologies available. Plans should be tested practically, and periodically updated.

**Attack & Penetration Analyses** – this involves the use of ‘ethical hacking’ to try and gain access to the system by trusted sources. For example, a company employee, not involved with the system design and development, could try to hack into the system and see if it is penetrable. This could help discover vulnerabilities within the system.

**Analysis of IT systems’ logs** – extensive logging of access and data can be integrated into the system so that these can be checked to periodically to make sure that there is no oddities within them. Like checking time stamps for accessed information (for example if someone accessed the system on Sunday midnight it could be suspicious activity)

**Security infrastructure** – this includes things such as locks and access rights, i.e. physical security. This is often overlooked and the IkonVert system must be made to be behind locked doors where only authorized persons have access to terminals and equipment. Access to buildings and individual rooms must be restricted to authorized personnel only. Also, the equipment must be protected from freak accidents. Equipment should be stored in water and fireproof containers to avoid destruction.

**Security Policies, Standards, and Procedures** – clear policies should be put into place to ensure that there is a procedure to follow and to ensure that the security of information is the highest priority. Also IkonVert should eventually become compliant with international security standards such as the BS7799/ISO17799.

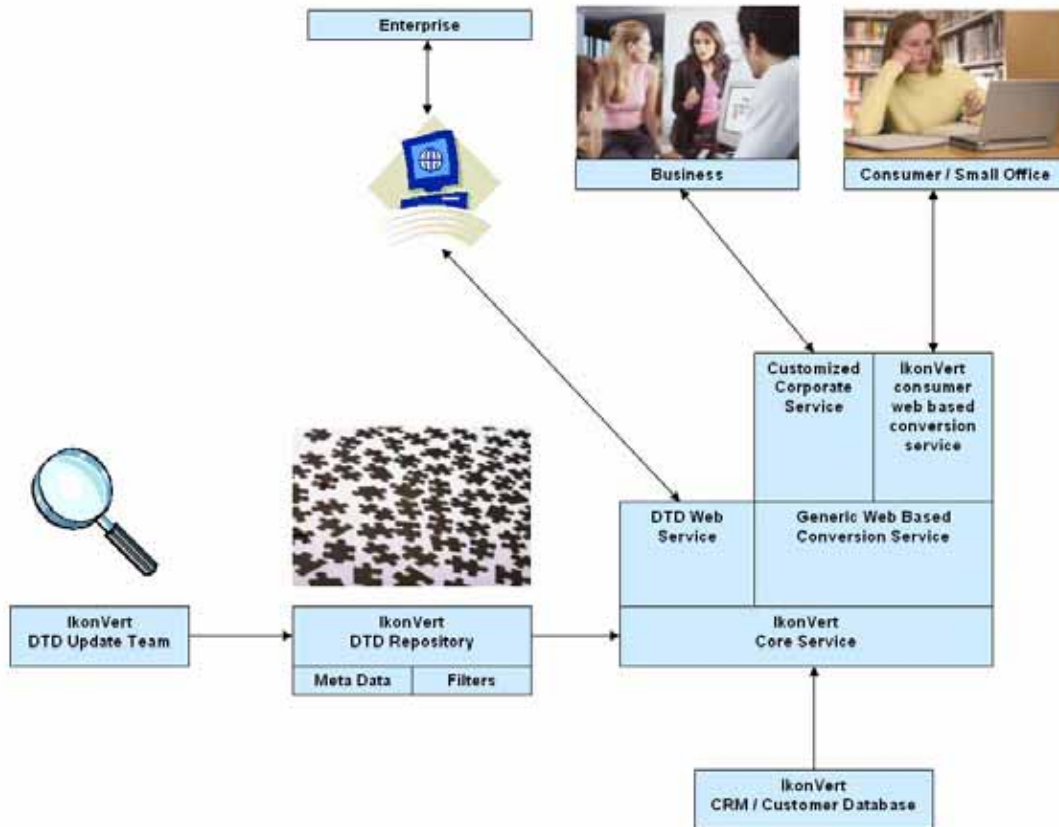
**Employee Training, Education, and Awareness** – training and educating employees on the importance of security and the companies policies will minimize some of the risks. Education of employees in responding effectively to crises, within a defined corporate structure.

### **Changing Technologies**

IkonVert operates in a very volatile and vast ever changing environment. Technological advancements over the past few years have shown that technologies come and go very quickly, and if companies cannot adapt in this rapid environment they will fail. IkonVert team is made up of young opportunists fresh from learning the newest technologies as well as the older that have witnessed and survived in the ever changing industry.

## 9 Solution Overview

### 9.1 Architecture Diagram



### 9.2 Service Structure

The conversion system will be structured using a compartmentalized and service oriented approach. This allows a clear definition of the various components of the system and promotes an efficient and extensible system with a rapid time to market. The system consists of the following core components that are illustrated in the IkonVert system architecture diagram in Appendix B.

- **IkonVert Data Type Definition (DTD) Repository** consisting of document filters which read documents in standardised ways, and document meta data which define the characteristics and any additional related information about a certain document format.
- **IkonVert DTD Update Team** who ensure that the IkonVert DTD Repository is up to date with the latest document formats and versions, therefore guaranteeing the user a comprehensive conversion service.

- **IkonVert Core Services** which handle the tasks of receiving the conversion requests, analysing the provided document or data streams, and processing the conversion using selected DTD's from the DTD repository. In addition the core service interfaces with the IkonVert CRM and customer database to provide authentication and authorization services, ensuring that clients only gain access to services to which they are authorized.
- **IkonVert Generic Web Conversion Service** is a core web based foundation used for the development and implementation of web based conversion systems. It provides the necessary architecture to effectively and efficiently develop specific web services that offer conversion to end users. This generic abstraction allows for extensibility of the system by supporting customized implementations specific to individual client needs.
- **IkonVert Customer Web Based Conversion Service** is an public consumer implementation of the generic conversion service.
- **IkonVert Customized Corporate Service** is a web based service that has been customized to the individual needs of a specific organization and may provide additional functionalities.
- **IkonVert Core Services Remote Deployment** is the deployment of the IkonVert core service in-house within an enterprise organization. This affords the organization the additional assurances of document security and service availability. The core service is linked to the IkonVert central DTD repository through a DTD web service, ensuring that the remote deployment always has access to the latest document conversions.

The system therefore facilitates the user with three approaches to utilizing IkonVert's data conversion services, providing the user with various levels of customizability and implementation of specialized functionality depending on the need.

The IkonVert customer web based conversion service is a publicly available document conversion service accessible from the IkonVert website. This allows consumers and small business users with the ability to easily register and use the IkonVert conversion functionality within a web interface that is simple yet yields access to comprehensive conversion capabilities.

The IkonVert customized corporate service is designed for corporate and other organizations with more extensive conversion needs. It allows the client to customize some aspects of the conversion, and implement specialized conversion functionality. For example there may be integrated security authentication so that users do not need to authenticate when using the service.

The IkonVert core services remote deployment is the most flexible and powerful option available to larger businesses with significant requirements for customization of the conversion process, a need to keep all documents within

the organizations IT networks for security purposes and to ensure service availability independent of the availability of external Internet connectivity. Additionally programming interfaces will be available to allow corporations to integrate the conversion system into their other enterprise application software such as their document management and intranet systems.

Though providing extensive flexibility in the way the user interfaces and uses the conversion system, this does not substantially increase the cost of design and development of the system. These flexibilities instead arise from the conceived systems architecture that is componentised and services oriented. Additionally due to the flexible nature of the system additional extensions can easily be implemented on top of the developed system in order to support expanded need contexts. Such possible functionalities are outlined below.

- Mobile phone viewing of video (video format and bandwidth conversion).
- Thin client (PDA/mobile) access to multiple document and media formats without requiring availability of viewing software.
- Client interfaces will provide seamless access and viewing of data – the user will not need to each time access our service site to convert but conversion will occur automatically.

### **9.3 Visual Framework and Design**

In general, the service will use a customisable web-based user interface, accessed either by the Internet or internal Intranet. Users who use the server version of the service will set up a page on the local Intranet where users will access the service. The only installation will be on the administrator's side, who sets up the service on the local Intranet. The site which is used to access the services can be customized to the users own needs and the layout can be changed to suit changing needs. The users of the service need access to the Internet or Intranet, from where they will need access to the location of the service site. The user will be on their own web browser (e.g. Firefox, Netscape Navigator, etc.) to access the service site and interface with the service. Since the user will be familiar with their own web browser this is not a problem to find the service; and since users are familiar with the use of web page style systems there should be minimal difficulties getting started with the service.

The 'feel' of the web site will be very professional and business like. There will be no animations or clutter of information for the user. The site will have the bare basics of what is needed for the service to function to the needs of the user. A simple menu will allow access to any other part of the system at all times. The general layout and ideas behind the structure of the system can be seen in Figure1.

For new users, and to accommodate for less technologically skilled users, there will be help located along with the service. There will be links throughout the site to an entire user manual or individual help for certain elements. For

example, in Figure2 it can be seen that there is a help and more information links in the user interface. Pressing the help will give the user specific help on how to convert a file and what all the different elements are. There is also a more info link for more information about the service and converting files.

The system will also attempt retrieve minimal knowledge from the user that is essential to function. An example would be that the user will not need to tell the system what kind of file they are converting, the system will try to determine this by itself and convert the file into the selected format. Only when it is unable to determine the file type it is trying to convert will the system get the user involved. This will make the system quicker and easier to use.

The results from the process will be displayed in two different methods. The first method will be an instant conversion while the user waits. Once the user has entered the required information, and instructed the system to convert the file, a pop-up window (such as that show in Figure 3) will be displayed. The user will then waits while the system carries out the instructions specified and returns the result. The user can carry on with other tasks while waiting for the conversion. Once complete, the results are shows in on the screen as a basic text summary. The information that will be shows is the original file information and the output file information, as well as of course a link to the converted file. The user can then use this link to view save or email the converted file.

If an error has occurred, an error report will be displayed. The system will inform the user of possible causes to the error, e.g. destination format not supported. The error message will be as informative as possible and confine itself to readable text outputs only. If the user cannot solve the problem with the system, there will be an option to send a report to the system administrator. The system will automatically attach a detailed report with the error report that the user sends to help the administrator. As the administrator will understand better the errors a more detailed report will be sent including all information.

Another option is for the system to inform the user that the file has been converted via email. If for some reason the system is slow (a particular user has a slow connection), or for larger files to be converted, the user does not need to wait for the system as it may take a while. In any case, the user will be able to instruct the system to email the report o the users email address. The system will then email the report to the user with the information and the user can use this email to access their converted file how they select.

The GUI will use a variety of colours. Text to the user will be mostly black with a white background. The will minimal use of colours throughout the system, but will be used in certain places for appearance. An example can be seen in Figure2 where there is some use of darker colour and pictures. No bright colours will be used.



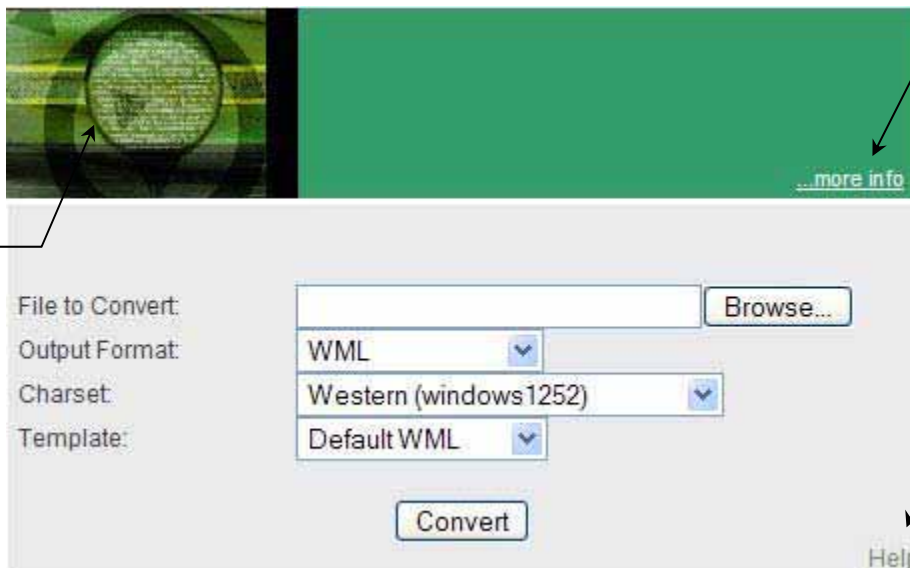
Graphics to enhance appearance

Simple Menu

User Specific Information

Figure 1: Main Page

Main Screen



Graphics to enhance appearance

General information

Links to specific help on topic

The GUI stays open in the background.

Figure 2: File converting page



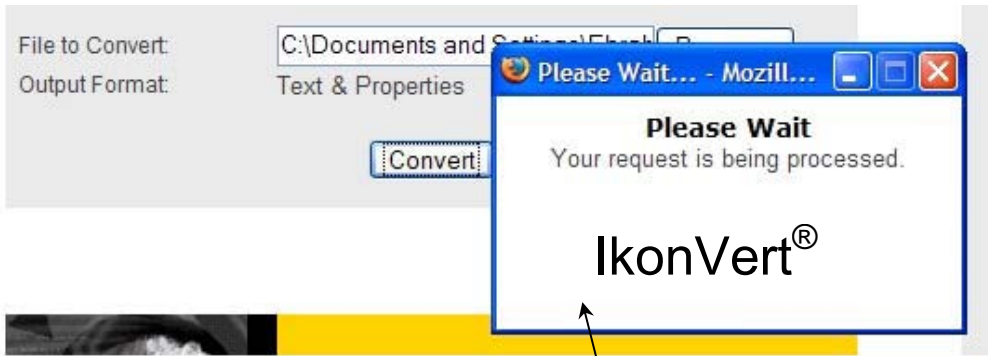
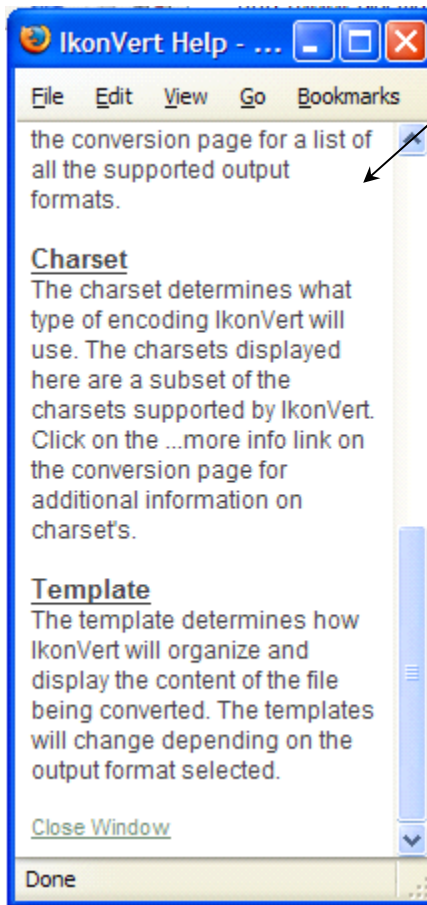


Figure 3: System Message

An example of a pop-up while the system carries out the selected process. The user has the ability to continue working while the system carries out the process.



Specific section help. Basic outline to help the user without too many details included. Details found in the user help pages.

Figure 4: Help

## **10 Appendices**

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The following appendices follow this section.

- Appendix A
- Management Team CV's
- 5 Year Monthly Cash Flow Forecast

### 10.1 Appendix A

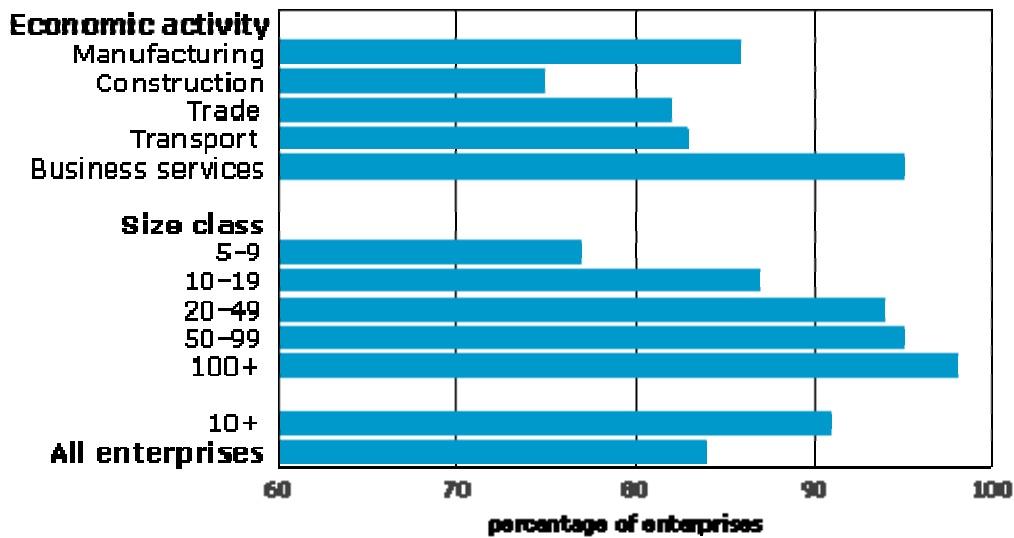


Figure 5: Use of the Internet in enterprises by economic activity and size class in 2000  
 Source: Internet Use and E-commerce in Enterprises 2001

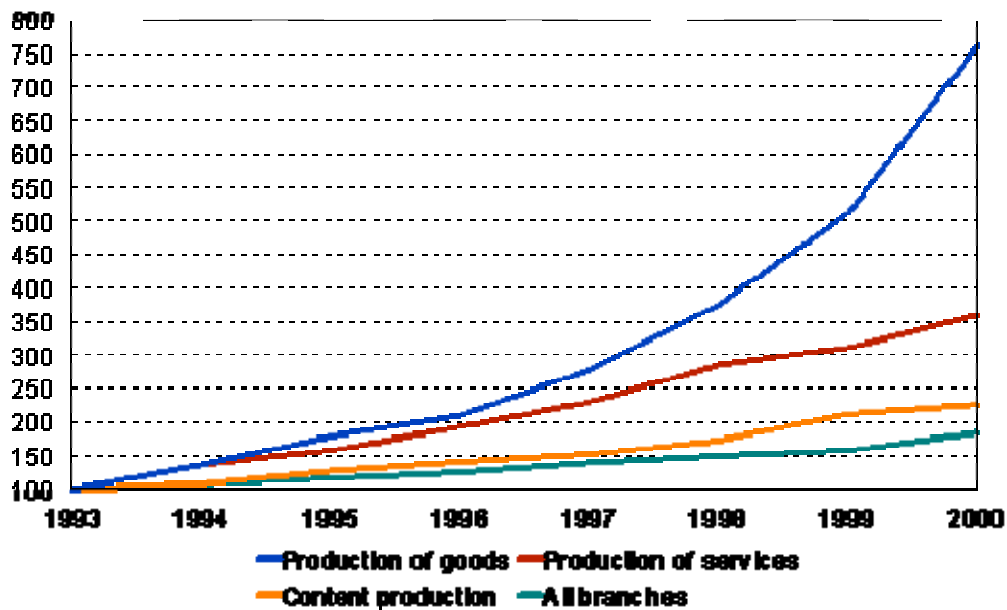


Figure 6: Trends in turnover in the information sector and in all enterprises in 1993 - 2000, 1993 = 100

Source: Statistics Finland, Business Register

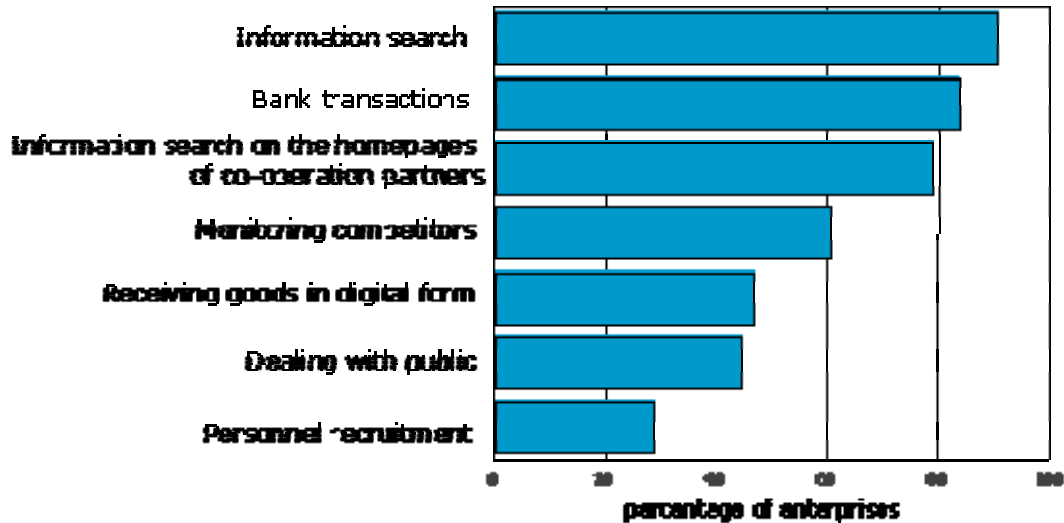


Figure 7: Uses made of the Internet in 2000 (Proportion of enterprises with at least 5 employees having the Internet in use)

Source: Internet Use and E-commerce in Enterprises 2001

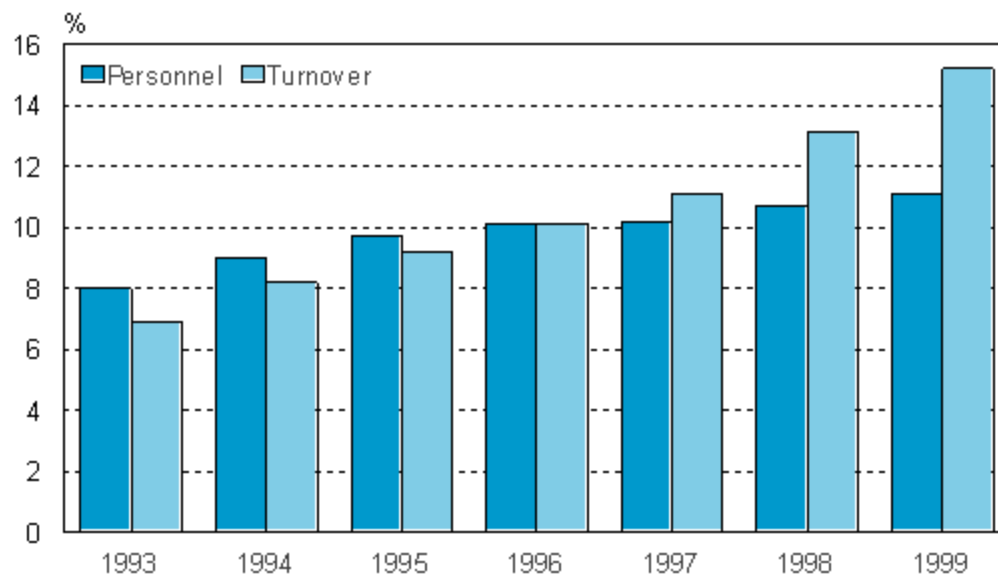


Figure 8 Personnel and turnover in the information sector as a proportion of all enterprises in 1993-1999 (%).

Source: Statistics Finland, business register.

Turnover in the Finnish information industry in 1999 totalled FIM 203,000 million. The number of enterprises operating in the information sector was around 14,500, providing jobs for some 140,000 people.

Information industries accounted for 15 per cent of total private sector turnover and for 11 per cent of private sector personnel.

| Indicator                 | Enterprise size class, proportion of all enterprises in class |                                  |                                  |                                  |   |   |
|---------------------------|---|----------------------------------|----------------------------------|----------------------------------|---|---|
|                           | Enterprises with 5-9 employees                                | Enterprises with 10-19 employees | Enterprises with 20-49 employees | Enterprises with 50-99 employees | Enterprises with at least 100 employees | All enterprises with at least 5 employees |
| Use of computers          | 91  | 96                               | 99                               | 99                               | 100                                     | 94  |
| Use of local area network | 43  | 59                               | 81                               | 92                               | 98                                      | 58  |
| Use of Internet           | 77  | 87                               | 94                               | 95                               | 98                                      | 84  |
| Internet homepages        | 36  | 48                               | 67                               | 77                               | 87                                      | 48  |
| E-commerce                | 10  | 11                               | 17                               | 16                               | 22                                      | 12  |
| Use of EDI                | 7   | 12                               | 15                               | 23                               | 40                                      | 12  |

**Table 1: Use of ICT in enterprises in 2000.**

Computers are used in almost all enterprises employing more than five persons. Of the enterprises with more than five employees, 84 per cent had the Internet and one half homepages in use in 2000. In 2000, 60 per cent of the total personnel in enterprises with more than five employees used computers at work and 44 per cent had the possibility to use the Internet. Twelve per cent of the enterprises with more than five employees offered the possibility to place orders through a service on their homepages in 2000.

## 10.2 Management Team CV's

### Maskati, Ebrahim Mahmoud Hussain

|                   |  |
|-------------------|--|
| Personal Details  | <p>Address YO KYLÄ 6 D 11<br/>20540, TURKU</p> <p>Mobile 050-5923387</p> <p>e-mail emaskati@hotmail.com</p> <p>Date of Birth 12/11/1982</p> <p>Nationality Finnish</p> <p>Social status Single</p>   |
| Education         | <p>09/2002 – 2006, Turku Polytechnic<br/><b>Information Technology, Insinööri (AMK) - 69/160 credits</b></p> <p><u>Minors</u></p> <ul style="list-style-type: none"> <li>- Physics</li> <li>- Programming Java</li> <li>- Fundamentals of Electronics</li> <li>- Advanced PHP</li> <li>- Software Testing</li> <li>- The Internet</li> <li>- Digital and Computer Electronics</li> <li>- Data Networks /Cisco CCNA</li> </ul> <p>1987-2001, St. Christopher's School, Bahrain<br/><i>GCE A-Level (upper secondary)– 06/01</i></p> <p>Information Technology, Mathematics (Statistics), Economics and Business Studies</p> <p><i>AS-Level – 06/00</i></p> <p>General studies</p> <p><i>GCSE (secondary) – 06/99</i></p> <p>Information Technology, Science, Business Studies, Mathematics, Geography, English, English Literature, French</p> |
| Language Skills   | <p>Finnish – Fluent</p> <p>English – Fluent</p> <p>French, Arabic, Spanish - Basic</p>   |
| Computer Skills   | <p>Excellent MS Word, Excel, PowerPoint, and Access</p> <p>Microsoft Windows XP/2000/NT/98/Java</p> <p>Internet web page development</p> <p>Cisco CCNA Certification</p>   |
| Interests         | <p>Sailing (NSSA Gold Sailing Award), swimming, cycling, trekking, scuba diving (Sub-Aqua Ocean Diver), and generally any outdoor activity.</p> <p>Computers</p>   |
| Other Information | <p>B class driving license</p>   |

## Majid Almaskati

|  |   |
|--|---|
| Yo Kyla 4 B 17<br>20540 Turku<br>Finland | Date of Birth: 13 December 1980<br>Languages Spoken: English, Finnish<br>Email: majid.almaskati@students.turkuamk.fi<br>Telephone: +358 504675684 |
|--|---|

### Objective

Management and development of Internet and network based solutions

### Expertise

#### Technical

- Microsoft .NET Framework (VB.NET) and the Microsoft Visual Studio .NET IDE
- Web, database and applications servers (Windows 2000 Server, IIS, SQL Server 2000)
- Content Management Systems (Microsoft Content Management Server, EnVivo CMS)
- Microsoft Sharepoint Portal Server 2001 and Microsoft Office Sharepoint Portal Server 2003 (web part technologies, document management, search facilities)
- Crystal Decisions Crystal Reports 9 Advanced and the Report Application Server, report distribution and presentation
- ASP.NET and ASP, COM, XML / XSLT, DHTML / Javascript
- Relational database design and data-tier development using Microsoft SQL Server 2000
- Development of Java applications
- Web and graphics packages: Photoshop 6, Dreamweaver MX

#### Applications

- Content management, Portal Solutions, Intranet, E-Commerce Solutions, Personalization, Collaboration, Reporting

#### Project Leadership

- Requirements definition, Client relationship management, Technical architecture planning and implementation, Solution deployment, Quality assurance

### Experience

#### 2002 – 2003 >> Al-Nadeem Information Technology, Bahrain

- Analyst Programmer
- Analyzed client requirements to design / develop appropriate web based solutions
- Involved in requirement analysis, development and deployment of solutions for large local and regional businesses (Watania Telecom Kuwait, Almuhaiddib Group Saudi, Bank of Bahrain and Kuwait)
- Became experienced in technologies shaping future trends in Internet based content delivery, such as Microsoft Content Management Server and Sharepoint Portal Server

#### 2001 – 2002 >> Asil Arts, Bahrain

- Head of Technology and Development
- Development and maintenance of the company's internal IT and network infrastructure
- Oversee and develop various media and multimedia products and services
- Projects: graphical advertisements (Adobe Photoshop), multimedia presentations (Macromedia Flash / Director), video advertisements (Adobe Premiere / After Effects)

### Education

#### 2003 to present >> Turku Polytechnic, Finland

- BSc Information Technology and Data Communications

#### 1999 – 2001 >> University of Warwick, United Kingdom

- BSc Computer and Business Studies (2 years of 3)

#### Up until 1999 >> St. Christopher's School, Bahrain

- A-Level: Computing, Mathematics, Economics all at grade A
- GCSE: 8 Subjects with grades of A\* or A

| Cash Flow Statement (€) |                                      | Initiation     | Core Development and Testing |                |                |                |                |                | Prototyping    |                |                | Refinement     |              |
|-------------------------|--------------------------------------|----------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
|                         |                                      | Month 1        | Month 2                      | Month 3        | Month 4        | Month 5        | Month 6        | Month 7        | Month 8        | Month 9        | Month 10       | Month 11       | Month 12     |
| Income                  | Sales #                              | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Application Service Provider #       | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Initial Agreement @ 2000             | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Average Hosting / Conversion @ 500/m | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Remote Deployment #                  | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Server Hardware @ 5000               | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Software License @ 20000             | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Customized Deployment @ 10000 (25%)  | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | DTD Update Agreement @ 500/m         | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Support Package @ 150/m (30%)        | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Customization DTD @ 5000 (15%)       | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Capital Investments                  | 1800000        | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Financing / Loans                    | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 750000       |
| <b>Monthly</b>          | <b>1800000</b>                       | <b>0</b>       | <b>0</b>                     | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>750000</b>  |              |
| <b>Cumulative</b>       | <b>1800000</b>                       | <b>1800000</b> | <b>1800000</b>               | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>1800000</b> | <b>2550000</b> |              |
| Expenses                | Initial Costs                        |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Leagal @ 500/s                       | 2000           | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Rent Initial                         | 1500           | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Utilities Initial                    | 300            | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Communications Initial               | 1000           | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Office                               |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Rent                                 | 1000           | 1000                         | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000         |
|                         | Fixtures and Fittings                | 10000          | 50                           | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50           |
|                         | Insurance                            | 200            | 200                          | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200          |
|                         | Utilities                            | 100            | 100                          | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100          |
|                         | Stationary                           | 400            | 200                          | 200            | 200            | 200            | 200            | 300            | 300            | 300            | 300            | 300            | 300          |
|                         | Postage & Carriage                   | 50             | 50                           | 50             | 50             | 50             | 50             | 50             | 100            | 100            | 100            | 100            | 100          |
|                         | Repairs & Renewals                   | 50             | 50                           | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50           |
|                         | Telephone                            | 150            | 150                          | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150          |
|                         | Cleaning                             | 50             | 50                           | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50             | 50           |
|                         | Marketing                            |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Brouchures & Marketing Materials     | 500            | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 100            | 100            | 100          |
|                         | Website Development                  | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 1500           | 1500           | 0            |
|                         | Payroll                              |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Executive / Manager                  | 5000           | 5000                         | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000         |
|                         | Number                               | 1              | 1                            | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1            |
|                         | Chief Technical Architect            | 7500           | 7500                         | 7500           | 7500           | 7500           | 7500           | 7500           | 7500           | 7500           | 7500           | 7500           | 7500         |
|                         | Number                               | 1              | 1                            | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1            |
|                         | Lead Programmer                      | 4000           | 4000                         | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000         |
|                         | Number                               | 2              | 2                            | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2            |
|                         | Document Specialist                  | 5000           | 5000                         | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000         |
|                         | Number                               | 1              | 1                            | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1            |
|                         | Programmer                           | 3500           | 3500                         | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500         |
|                         | Number                               | 5              | 5                            | 5              | 5              | 5              | 5              | 5              | 8              | 8              | 8              | 8              | 8            |
|                         | Accountant                           | 3500           | 3500                         | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500           | 3500         |
|                         | Number                               | 1              | 1                            | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1            |
|                         | Marketing Manager                    | 5000           | 5000                         | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000           | 5000         |
|                         | Number                               | 1              | 1                            | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1            |
|                         | <b>Payroll Total</b>                 | <b>51500</b>   | <b>51500</b>                 | <b>51500</b>   | <b>51500</b>   | <b>51500</b>   | <b>51500</b>   | <b>51500</b>   | <b>62000</b>   | <b>62000</b>   | <b>62000</b>   | <b>62000</b>   | <b>62000</b> |
|                         | Technology                           |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Internet Access                      | 100            | 100                          | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100            | 100          |
|                         | Printer, Scanner, IT Misc Hardware   | 1500           | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Workstations & Maintainance          | 10000          | 4000                         | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200          |
|                         | Servers & Maintainance               | 8000           | 150                          | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150            | 150          |
|                         | Software Licenses                    | 10000          | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0            |
|                         | Other                                |                |                              |                |                |                |                |                |                |                |                |                |              |
|                         | Travel and Lodging                   | 1000           | 200                          | 200            | 200            | 200            | 200            | 200            | 500            | 500            | 300            | 300            | 300          |
| Debt Financing          | 0                                    | 0              | 0                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |              |
| <b>Monthly</b>          | <b>99400</b>                         | <b>57800</b>   | <b>54000</b>                 | <b>54000</b>   | <b>54000</b>   | <b>54000</b>   | <b>54100</b>   | <b>64950</b>   | <b>64950</b>   | <b>66350</b>   | <b>66350</b>   | <b>64850</b>   |              |
| <b>Cumulative</b>       | <b>99400</b>                         | <b>157200</b>  | <b>211200</b>                | <b>265200</b>  | <b>319200</b>  | <b>373200</b>  | <b>427300</b>  | <b>492250</b>  | <b>557200</b>  | <b>623550</b>  | <b>689900</b>  | <b>754750</b>  |              |
| Total                   | Monthly                              | 1700600        | -57800                       | -54000         | -54000         | -54000         | -54000         | -54100         | -64950         | -64950         | -66350         | -66350         | 685150       |
|                         | Cumulative                           | 1700600        | 1642800                      | 1588800        | 1534800        | 1480800        | 1426800        | 1372700        | 1307750        | 1242800        | 1176450        | 1110100        | 1795250      |



| Cash Flow Statement (€)            |                                      | Initial Deployments |          |          |          | Extended Development And Deployments |          |          |          |          |          |          |          |
|------------------------------------|--------------------------------------|---------------------|----------|----------|----------|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|
|                                    |                                      | YEAR 2              |          |          |          |                                      |          |          |          |          |          |          |          |
|                                    |                                      | Month 13            | Month 14 | Month 15 | Month 16 | Month 17                             | Month 18 | Month 19 | Month 20 | Month 21 | Month 22 | Month 23 | Month 24 |
| Income                             | Sales #                              | 1                   | 1        | 1        | 3        | 2                                    | 2        | 3        | 2        | 2        | 3        | 2        | 2        |
|                                    | Application Service Provider #       | 1                   | 1        | 1        | 2        | 2                                    | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Initial Agreement @ 2000             | 2000                | 2000     | 2000     | 4000     | 4000                                 | 4000     | 4000     | 4000     | 4000     | 4000     | 4000     | 4000     |
|                                    | Average Hosting / Conversion @ 500/m | 500                 | 1000     | 1500     | 2500     | 3500                                 | 4500     | 5500     | 6500     | 7500     | 8500     | 9500     | 10500    |
|                                    | Remote Deployment #                  | 0                   | 0        | 0        | 1        | 0                                    | 0        | 1        | 0        | 0        | 1        | 0        | 0        |
|                                    | Server Hardware @ 5000               | 0                   | 0        | 0        | 5000     | 0                                    | 0        | 5000     | 0        | 0        | 5000     | 0        | 0        |
|                                    | Software License @ 20000             | 0                   | 0        | 0        | 20000    | 0                                    | 0        | 20000    | 0        | 0        | 20000    | 0        | 0        |
|                                    | Customized Deployment @ 10000 (25%)  | 0                   | 0        | 0        | 2500     | 0                                    | 0        | 2500     | 0        | 0        | 2500     | 0        | 0        |
|                                    | DTD Update Agreement @ 500/m         | 0                   | 0        | 0        | 500      | 500                                  | 500      | 1000     | 1000     | 1000     | 1500     | 1500     | 1500     |
|                                    | Support Package @ 150/m (30%)        | 45                  | 90       | 135      | 270      | 360                                  | 450      | 585      | 675      | 765      | 900      | 990      | 1080     |
|                                    | Customization DTD @ 5000 (15%)       | 750                 | 1500     | 2250     | 4500     | 6000                                 | 7500     | 9750     | 11250    | 12750    | 15000    | 16500    | 18000    |
|                                    | Capital Investments                  | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Financing / Loans                  | 0                                    | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 1000000  |          |
| Monthly                            | 3295                                 | 4590                | 5885     | 39270    | 14360    | 16950                                | 48335    | 23425    | 26015    | 57400    | 32490    | 1035080  |          |
| Cumulative                         | 2553295                              | 2557885             | 2563770  | 2603040  | 2617400  | 2634350                              | 2682685  | 2706110  | 2732125  | 2789525  | 2822015  | 3857095  |          |
| Expenses                           | Initial Costs                        |                     |          |          |          |                                      |          |          |          |          |          |          |          |
|                                    | Leagal @ 500/s                       | 500                 | 500      | 500      | 1500     | 1000                                 | 1000     | 1500     | 1000     | 1000     | 1500     | 1000     | 1000     |
|                                    | Rent Initial                         | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Utilities Initial                    | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Communications Initial               | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Office                               |                     |          |          |          |                                      |          |          |          |          |          |          |          |
|                                    | Rent                                 | 1000                | 1000     | 1000     | 1000     | 1000                                 | 1000     | 1000     | 1000     | 1000     | 1000     | 1000     | 1000     |
|                                    | Fixtures and Fittings                | 50                  | 50       | 50       | 5000     | 100                                  | 100      | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Insurance                            | 200                 | 200      | 200      | 250      | 250                                  | 250      | 250      | 250      | 250      | 250      | 250      | 250      |
|                                    | Utilities                            | 100                 | 100      | 100      | 100      | 100                                  | 100      | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Stationary                           | 300                 | 300      | 300      | 400      | 400                                  | 400      | 400      | 400      | 400      | 400      | 400      | 400      |
|                                    | Postage & Carriage                   | 100                 | 100      | 100      | 150      | 150                                  | 150      | 150      | 150      | 150      | 150      | 150      | 150      |
|                                    | Repairs & Renewals                   | 100                 | 100      | 100      | 100      | 100                                  | 100      | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Telephone                            | 150                 | 250      | 250      | 250      | 250                                  | 250      | 250      | 250      | 250      | 250      | 250      | 250      |
|                                    | Cleaning                             | 50                  | 50       | 50       | 50       | 50                                   | 50       | 50       | 50       | 50       | 50       | 50       | 50       |
|                                    | Marketing                            |                     |          |          |          |                                      |          |          |          |          |          |          |          |
|                                    | Brouchures & Marketing Materials     | 50                  | 50       | 50       | 150      | 150                                  | 150      | 150      | 150      | 150      | 150      | 150      | 150      |
|                                    | Website Development                  | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Payroll                              |                     |          |          |          |                                      |          |          |          |          |          |          |          |
|                                    | Executive / Manager                  | 5250                | 5250     | 5250     | 5250     | 5250                                 | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     |
|                                    | Number                               | 1                   | 1        | 1        | 1        | 1                                    | 1        | 1        | 1        | 1        | 1        | 1        | 1        |
|                                    | Chief Technical Architect            | 7875                | 7875     | 7875     | 7875     | 7875                                 | 7875     | 7875     | 7875     | 7875     | 7875     | 7875     | 7875     |
|                                    | Number                               | 1                   | 1        | 1        | 1        | 1                                    | 1        | 1        | 1        | 1        | 1        | 1        | 1        |
|                                    | Lead Programmer                      | 4200                | 4200     | 4200     | 4200     | 4200                                 | 4200     | 4200     | 4200     | 4200     | 4200     | 4200     | 4200     |
|                                    | Number                               | 3                   | 3        | 3        | 3        | 3                                    | 3        | 3        | 3        | 3        | 3        | 3        | 3        |
|                                    | Document Specialist                  | 5250                | 5250     | 5250     | 5250     | 5250                                 | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     |
|                                    | Number                               | 1                   | 1        | 1        | 1        | 1                                    | 1        | 1        | 1        | 1        | 1        | 1        | 1        |
|                                    | Programmer                           | 3675                | 3675     | 3675     | 3675     | 3675                                 | 3675     | 3675     | 3675     | 3675     | 3675     | 3675     | 3675     |
|                                    | Number                               | 8                   | 8        | 8        | 10       | 10                                   | 10       | 10       | 10       | 10       | 10       | 10       | 10       |
|                                    | Accountant                           | 3675                | 3675     | 3675     | 3675     | 3675                                 | 3675     | 3675     | 3675     | 3675     | 3675     | 3675     | 3675     |
|                                    | Number                               | 2                   | 2        | 2        | 2        | 2                                    | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Marketing Manager                    | 5250                | 5250     | 5250     | 5250     | 5250                                 | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     | 5250     |
| Number                             | 1                                    | 1                   | 1        | 2        | 2        | 2                                    | 2        | 2        | 3        | 3        | 3        | 3        |          |
| Payroll Total                      | 72975                                | 72975               | 72975    | 85575    | 85575    | 85575                                | 85575    | 85575    | 90825    | 90825    | 90825    | 90825    |          |
| Technology                         |                                      |                     |          |          |          |                                      |          |          |          |          |          |          |          |
| Internet Access                    | 500                                  | 500                 | 500      | 500      | 500      | 500                                  | 500      | 500      | 500      | 500      | 500      | 500      |          |
| Printer, Scanner, IT Misc Hardware | 0                                    | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        |          |
| Workstations & Maintainance        | 5000                                 | 300                 | 300      | 300      | 300      | 300                                  | 300      | 300      | 300      | 300      | 300      | 300      |          |
| Servers & Maintainance             | 8000                                 | 250                 | 250      | 250      | 250      | 250                                  | 250      | 250      | 250      | 250      | 250      | 250      |          |
| Software Licenses                  | 0                                    | 0                   | 0        | 0        | 0        | 0                                    | 0        | 0        | 0        | 0        | 0        | 0        |          |
| Other                              |                                      |                     |          |          |          |                                      |          |          |          |          |          |          |          |
| Travel and Lodging                 | 300                                  | 300                 | 300      | 500      | 500      | 500                                  | 500      | 500      | 500      | 500      | 500      | 500      |          |
| Debt Financing                     | 20000                                | 20000               | 20000    | 20000    | 20000    | 20000                                | 20000    | 20000    | 20000    | 20000    | 20000    | 20000    |          |
| Monthly                            | 109375                               | 97025               | 97025    | 116075   | 110675   | 110675                               | 111175   | 110675   | 115925   | 116425   | 115925   | 115925   |          |
| Cumulative                         | 864125                               | 961150              | 1058175  | 1174250  | 1284925  | 1395600                              | 1506775  | 1617450  | 1733375  | 1849800  | 1965725  | 2081650  |          |
| Total                              | Monthly                              | -106080             | -92435   | -91140   | -76805   | -96315                               | -93725   | -62840   | -87250   | -89910   | -59025   | -83435   | 919155   |
|                                    | Cumulative                           | 1689170             | 1596735  | 1505595  | 1428790  | 1332475                              | 1238750  | 1175910  | 1088660  | 998750   | 939725   | 856290   | 1775445  |

| Cash Flow Statement (€)            |                                      | Larg Scale Local & Regional Deployments |          |          |          |          | European (International) Distributors and In Country Partners |          |          |          |          |          |          |
|------------------------------------|--------------------------------------|---|----------|----------|----------|----------|---|----------|----------|----------|----------|----------|----------|
|                                    |                                      | YEAR 3                                  |          |          |          |          |   |          |          |          |          |          |          |
|                                    |                                      | Month 25                                | Month 26 | Month 27 | Month 28 | Month 29 | Month 30  | Month 31 | Month 32 | Month 33 | Month 34 | Month 35 | Month 36 |
| Income                             | Sales #                              | 4                                       | 3        | 4        | 3        | 4        | 3   | 5        | 5        | 5        | 5        | 5        | 5        |
|                                    | Application Service Provider #       | 3                                       | 3        | 3        | 3        | 3        | 3   | 4        | 4        | 4        | 4        | 4        | 4        |
|                                    | Initial Agreement @ 2000             | 6000                                    | 6000     | 6000     | 6000     | 6000     | 6000  | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     |
|                                    | Average Hosting / Conversion @ 500/m | 12000                                   | 13500    | 15000    | 16500    | 18000    | 19500   | 21500    | 23500    | 25500    | 27500    | 29500    | 31500    |
|                                    | Remote Deployment #                  | 1                                       | 0        | 1        | 0        | 1        | 0   | 1        | 1        | 1        | 1        | 1        | 1        |
|                                    | Server Hardware @ 5000               | 5000                                    | 0        | 5000     | 0        | 5000     | 0   | 5000     | 5000     | 5000     | 5000     | 5000     | 5000     |
|                                    | Software License @ 20000             | 20000                                   | 0        | 20000    | 0        | 20000    | 0   | 20000    | 20000    | 20000    | 20000    | 20000    | 20000    |
|                                    | Customized Deployment @ 10000 (25%)  | 2500                                    | 0        | 2500     | 0        | 2500     | 0   | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     |
|                                    | DTD Update Agreement @ 500/m         | 2000                                    | 2000     | 2500     | 2500     | 3000     | 3000  | 3500     | 4000     | 4500     | 5000     | 5500     | 6000     |
|                                    | Support Package @ 150/m (30%)        | 1260                                    | 1395     | 1575     | 1710     | 1890     | 2025  | 2250     | 2475     | 2700     | 2925     | 3150     | 3375     |
|                                    | Customization DTD @ 5000 (15%)       | 21000                                   | 23250    | 26250    | 28500    | 31500    | 33750   | 37500    | 41250    | 45000    | 48750    | 52500    | 56250    |
|                                    | Capital Investments                  | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Financing / Loans                    | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
| Monthly                            |                                      | 69760                                   | 46145    | 78825    | 55210    | 87890    | 64275   | 100250   | 106725   | 113200   | 119675   | 126150   | 132625   |
| Cumulative                         |                                      | 3926855                                 | 3973000  | 4051825  | 4107035  | 4194925  | 4259200   | 4359450  | 4466175  | 4579375  | 4699050  | 4825200  | 4957825  |
| Expenses                           | Initial Costs                        |   |          |          |          |          |   |          |          |          |          |          |          |
|                                    | Leagal @ 500/s                       | 2000                                    | 1500     | 2000     | 1500     | 2000     | 1500  | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     |
|                                    | Rent Initial                         | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Utilities Initial                    | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Communications Initial               | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Office                               |   |          |          |          |          |   |          |          |          |          |          |          |
|                                    | Rent                                 | 2000                                    | 2000     | 2000     | 2000     | 2000     | 2000  | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     |
|                                    | Fixtures and Fittings                | 20000                                   | 200      | 200      | 200      | 200      | 200   | 200      | 200      | 200      | 200      | 200      | 200      |
|                                    | Insurance                            | 400                                     | 400      | 400      | 400      | 400      | 400   | 400      | 400      | 400      | 400      | 400      | 400      |
|                                    | Utilities                            | 150                                     | 150      | 150      | 150      | 150      | 150   | 150      | 150      | 150      | 150      | 150      | 150      |
|                                    | Stationary                           | 500                                     | 500      | 500      | 500      | 500      | 500   | 500      | 500      | 500      | 500      | 500      | 500      |
|                                    | Postage & Carriage                   | 200                                     | 200      | 200      | 200      | 200      | 200   | 350      | 350      | 350      | 350      | 350      | 350      |
|                                    | Repairs & Renewals                   | 100                                     | 100      | 100      | 100      | 100      | 100   | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Telephone                            | 250                                     | 250      | 250      | 250      | 250      | 250   | 250      | 250      | 250      | 250      | 250      | 250      |
|                                    | Cleaning                             | 100                                     | 100      | 100      | 100      | 100      | 100   | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Marketing                            |   |          |          |          |          |   |          |          |          |          |          |          |
|                                    | Brouchures & Marketing Materials     | 300                                     | 300      | 300      | 300      | 300      | 300   | 500      | 500      | 500      | 500      | 500      | 500      |
|                                    | Website Development                  | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Payroll                              |   |          |          |          |          |   |          |          |          |          |          |          |
|                                    | Executive / Manager                  | 10000                                   | 10000    | 10000    | 10000    | 10000    | 10000   | 10000    | 10000    | 10000    | 10000    | 10000    | 10000    |
|                                    | Number                               | 1                                       | 2        | 2        | 2        | 2        | 2   | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Chief Technical Architect            | 8268                                    | 8268     | 8268     | 8268     | 8268     | 8268  | 8268     | 8268     | 8268     | 8268     | 8268     | 8268     |
|                                    | Number                               | 2                                       | 2        | 2        | 2        | 2        | 2   | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Lead Programmer                      | 4410                                    | 4410     | 4410     | 4410     | 4410     | 4410  | 4410     | 4410     | 4410     | 4410     | 4410     | 4410     |
|                                    | Number                               | 3                                       | 3        | 3        | 3        | 3        | 3   | 3        | 3        | 3        | 3        | 3        | 3        |
|                                    | Document Specialist                  | 5512                                    | 5512     | 5512     | 5512     | 5512     | 5512  | 5512     | 5512     | 5512     | 5512     | 5512     | 5512     |
|                                    | Number                               | 2                                       | 2        | 2        | 2        | 2        | 2   | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Programmer                           | 3858                                    | 3858     | 3858     | 3858     | 3858     | 3858  | 3858     | 3858     | 3858     | 3858     | 3858     | 3858     |
|                                    | Number                               | 12                                      | 12       | 12       | 12       | 12       | 12  | 12       | 12       | 12       | 12       | 12       | 12       |
|                                    | Accountant                           | 3858                                    | 3858     | 3858     | 3858     | 3858     | 3858  | 3858     | 3858     | 3858     | 3858     | 3858     | 3858     |
|                                    | Number                               | 2                                       | 2        | 2        | 2        | 2        | 2   | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Marketing Manager                    | 5512                                    | 5512     | 5512     | 5512     | 5512     | 5512  | 5512     | 5512     | 5512     | 5512     | 5512     | 5512     |
|                                    | Number                               | 3                                       | 3        | 3        | 3        | 3        | 3   | 3        | 3        | 3        | 3        | 3        | 3        |
| Payroll Total                      | 121338                               | 131338                                  | 131338   | 131338   | 131338   | 131338   | 131338  | 131338   | 131338   | 131338   | 131338   | 131338   |          |
| Technology                         |                                      |   |          |          |          |          |   |          |          |          |          |          |          |
| Internet Access                    | 1000                                 | 1000                                    | 1000     | 1000     | 1000     | 1000     | 1500  | 1500     | 1500     | 1500     | 1500     | 1500     |          |
| Printer, Scanner, IT Misc Hardware | 0                                    | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        |          |
| Workstations & Maintainance        | 15000                                | 500                                     | 500      | 500      | 500      | 500      | 500   | 500      | 500      | 500      | 500      | 500      |          |
| Servers & Maintainance             | 20000                                | 450                                     | 450      | 450      | 450      | 450      | 450   | 450      | 450      | 450      | 450      | 450      |          |
| Software Licenses                  | 0                                    | 0                                       | 0        | 0        | 0        | 0        | 0   | 0        | 0        | 0        | 0        | 0        |          |
| Other                              |                                      |   |          |          |          |          |   |          |          |          |          |          |          |
| Travel and Lodging                 | 1000                                 | 1000                                    | 1000     | 1000     | 1000     | 1000     | 2000  | 2000     | 2000     | 2000     | 2000     | 2000     |          |
| Debt Financing                     | 50000                                | 50000                                   | 50000    | 50000    | 50000    | 50000    | 50000   | 50000    | 50000    | 50000    | 50000    | 50000    |          |
| Monthly                            |                                      | 234338                                  | 189988   | 190488   | 189988   | 190488   | 189988  | 192838   | 192838   | 192838   | 192838   | 192838   | 192838   |
| Cumulative                         |                                      | 2315988                                 | 2505976  | 2696464  | 2886452  | 3076940  | 3266928   | 3459766  | 3652604  | 3845442  | 4038280  | 4231118  | 4423956  |
| Total                              | Monthly                              | -164578                                 | -143843  | -111663  | -134778  | -102598  | -125713   | -92588   | -86113   | -79638   | -73163   | -66688   | -60213   |
|                                    | Cumulative                           | 1610867                                 | 1467024  | 1355361  | 1220583  | 1117985  | 992272  | 899684   | 813571   | 733933   | 660770   | 594082   | 533869   |

| Cash Flow Statement (€)            |                                      | Continuing Regional / Partner / Distributor Deployments and Seeking External Investment |          |          |          |          |          |          |          |          |          |          |          |
|------------------------------------|--------------------------------------|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                    |                                      | YEAR 4  |          |          |          |          |          |          |          |          |          |          |          |
|                                    |                                      | Month 37  | Month 38 | Month 39 | Month 40 | Month 41 | Month 42 | Month 43 | Month 44 | Month 45 | Month 46 | Month 47 | Month 48 |
| Income                             | Sales #                              | 6   | 5        | 5        | 6        | 5        | 5        | 6        | 5        | 6        | 5        | 5        | 5        |
|                                    | Application Service Provider #       | 4   | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        |
|                                    | Initial Agreement @ 2000             | 8000  | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     | 8000     |
|                                    | Average Hosting / Conversion @ 500/m | 33500   | 35500    | 37500    | 39500    | 41500    | 43500    | 45500    | 47500    | 49500    | 51500    | 53500    | 55500    |
|                                    | Remote Deployment #                  | 2   | 1        | 1        | 2        | 1        | 1        | 2        | 1        | 1        | 2        | 1        | 1        |
|                                    | Server Hardware @ 5000               | 10000   | 5000     | 5000     | 10000    | 5000     | 5000     | 10000    | 5000     | 5000     | 10000    | 5000     | 5000     |
|                                    | Software License @ 20000             | 40000   | 20000    | 20000    | 40000    | 20000    | 20000    | 40000    | 20000    | 20000    | 40000    | 20000    | 20000    |
|                                    | Customized Deployment @ 10000 (25%)  | 5000  | 2500     | 2500     | 5000     | 2500     | 2500     | 5000     | 2500     | 2500     | 5000     | 2500     | 2500     |
|                                    | DTD Update Agreement @ 500/m         | 7000  | 7500     | 8000     | 9000     | 9500     | 10000    | 11000    | 11500    | 12000    | 13000    | 13500    | 14000    |
|                                    | Support Package @ 150/m (30%)        | 3645  | 3870     | 4095     | 4365     | 4590     | 4815     | 5085     | 5310     | 5535     | 5805     | 6030     | 6255     |
|                                    | Customization DTD @ 5000 (15%)       | 60750   | 64500    | 68250    | 72750    | 76500    | 80250    | 84750    | 88500    | 92250    | 96750    | 100500   | 104250   |
|                                    | Capital Investments                  | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Financing / Loans                  | 0                                    | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |          |
| Monthly                            |                                      | 167895  | 146870   | 153345   | 188615   | 167590   | 174065   | 209335   | 188310   | 194785   | 230055   | 209030   | 215505   |
| Cumulative                         |                                      | 5125720   | 5272590  | 5425935  | 5614550  | 5782140  | 5956205  | 6165540  | 6353850  | 6548635  | 6778690  | 6987720  | 7203225  |
| Expenses                           | Initial Costs                        |   |          |          |          |          |          |          |          |          |          |          |          |
|                                    | Leagal @ 500/s                       | 3000  | 2500     | 2500     | 3000     | 2500     | 2500     | 3000     | 2500     | 2500     | 3000     | 2500     | 2500     |
|                                    | Rent Initial                         | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Utilities Initial                    | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Communications Initial               | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Office                               |   |          |          |          |          |          |          |          |          |          |          |          |
|                                    | Rent                                 | 2000  | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     |
|                                    | Fixtures and Fittings                | 200   | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      |
|                                    | Insurance                            | 400   | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      |
|                                    | Utilities                            | 150   | 150      | 150      | 150      | 150      | 150      | 150      | 150      | 150      | 150      | 150      | 150      |
|                                    | Stationary                           | 500   | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      |
|                                    | Postage & Carriage                   | 400   | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      | 400      |
|                                    | Repairs & Renewals                   | 100   | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Telephone                            | 350   | 350      | 350      | 350      | 350      | 350      | 350      | 350      | 350      | 350      | 350      | 350      |
|                                    | Cleaning                             | 100   | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      | 100      |
|                                    | Marketing                            |   |          |          |          |          |          |          |          |          |          |          |          |
|                                    | Brouchures & Marketing Materials     | 500   | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      | 500      |
|                                    | Website Development                  | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                                    | Payroll                              |   |          |          |          |          |          |          |          |          |          |          |          |
|                                    | Executive / Manager                  | 12000   | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    | 12000    |
|                                    | Number                               | 2   | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Chief Technical Architect            | 8681  | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     | 8681     |
|                                    | Number                               | 2   | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Lead Programmer                      | 4630  | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     | 4630     |
|                                    | Number                               | 3   | 3        | 3        | 3        | 3        | 3        | 3        | 3        | 3        | 3        | 3        | 3        |
|                                    | Document Specialist                  | 5787  | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     |
|                                    | Number                               | 2   | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Programmer                           | 4050  | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     |
|                                    | Number                               | 15  | 15       | 15       | 15       | 15       | 15       | 15       | 15       | 15       | 15       | 15       | 15       |
|                                    | Accountant                           | 4050  | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     | 4050     |
|                                    | Number                               | 2   | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        | 2        |
|                                    | Marketing Manager                    | 5787  | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     | 5787     |
| Number                             | 4                                    | 4   | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        | 4        |          |
| Payroll Total                      | 158824                               | 158824  | 158824   | 158824   | 158824   | 158824   | 158824   | 158824   | 158824   | 158824   | 158824   | 158824   |          |
| Technology                         |                                      |   |          |          |          |          |          |          |          |          |          |          |          |
| Internet Access                    | 2000                                 | 2000  | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     | 2000     |          |
| Printer, Scanner, IT Misc Hardware | 0                                    | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |          |
| Workstations & Maintainance        | 15000                                | 800   | 800      | 800      | 800      | 800      | 800      | 800      | 800      | 800      | 800      | 800      |          |
| Servers & Maintainance             | 20000                                | 600   | 600      | 600      | 600      | 600      | 600      | 600      | 600      | 600      | 600      | 600      |          |
| Software Licenses                  | 0                                    | 0   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |          |
| Other                              |                                      |   |          |          |          |          |          |          |          |          |          |          |          |
| Travel and Lodging                 | 2500                                 | 2500  | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     | 2500     |          |
| Debt Financing                     | 50000                                | 50000   | 50000    | 50000    | 50000    | 50000    | 50000    | 50000    | 50000    | 50000    | 50000    | 50000    |          |
| Monthly                            |                                      | 256024  | 221924   | 221924   | 222424   | 221924   | 221924   | 222424   | 221924   | 221924   | 222424   | 221924   | 221924   |
| Cumulative                         |                                      | 4679980   | 4901904  | 5123828  | 5346252  | 5568176  | 5790100  | 6012524  | 6234448  | 6456372  | 6678296  | 6900220  | 7122644  |
| Total                              | Monthly                              | -88129  | -75054   | -68579   | -33809   | -54334   | -47859   | -13089   | -33614   | -27139   | 7631     | -12894   | -6419    |
|                                    | Cumulative                           | 445740  | 370686   | 302107   | 268298   | 213964   | 166105   | 153016   | 119402   | 92263    | 99894    | 87000    | 80581    |

| Cash Flow Statement (€)               | Product Maturity / IPO / Acquisition |                |                |                |                |                |                |                |                |                 |                 |                 |
|---------------------------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|
|                                       | YEAR 5                               |                |                |                |                |                |                |                |                |                 |                 |                 |
|                                       | Month 49                             | Month 50       | Month 51       | Month 52       | Month 53       | Month 54       | Month 55       | Month 56       | Month 57       | Month 58        | Month 59        | Month 60        |
| <b>Income</b>                         |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| <b>Sales #</b>                        | 8                                    | 7              | 8              | 7              | 8              | 7              | 8              | 7              | 8              | 7               | 8               | 7               |
| <b>Application Service Provider #</b> | 5                                    | 5              | 5              | 5              | 5              | 5              | 5              | 5              | 5              | 5               | 5               | 5               |
| Initial Agreement @ 2000              | 10000                                | 10000          | 10000          | 10000          | 10000          | 10000          | 10000          | 10000          | 10000          | 10000           | 10000           | 10000           |
| Average Hosting / Conversion @ 500/m  | 58000                                | 60500          | 63000          | 65500          | 68000          | 70500          | 73000          | 75500          | 78000          | 80500           | 83000           | 85500           |
| <b>Remote Deployment #</b>            | 3                                    | 2              | 3              | 2              | 3              | 2              | 3              | 2              | 3              | 2               | 3               | 2               |
| Server Hardware @ 5000                | 15000                                | 10000          | 15000          | 10000          | 15000          | 10000          | 15000          | 10000          | 15000          | 10000           | 15000           | 10000           |
| Software License @ 20000              | 60000                                | 40000          | 60000          | 40000          | 60000          | 40000          | 60000          | 40000          | 60000          | 40000           | 60000           | 40000           |
| Customized Deployment @ 10000 (25%)   | 7500                                 | 5000           | 7500           | 5000           | 7500           | 5000           | 7500           | 5000           | 7500           | 5000            | 7500            | 5000            |
| DTD Update Agreement @ 500/m          | 15500                                | 16500          | 18000          | 19000          | 20500          | 21500          | 23000          | 24000          | 25500          | 26500           | 28000           | 29000           |
| <b>Support Package @ 150/m (30%)</b>  | 6615                                 | 6930           | 7290           | 7605           | 7965           | 8280           | 8640           | 8955           | 9315           | 9630            | 9990            | 10305           |
| <b>Customization DTD @ 5000 (15%)</b> | 110250                               | 115500         | 121500         | 126750         | 132750         | 138000         | 144000         | 149250         | 155250         | 160500          | 166500          | 171750          |
| <b>Capital Investments</b>            | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Financing / Loans</b>              | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Monthly</b>                        | <b>282865</b>                        | <b>264430</b>  | <b>302290</b>  | <b>283855</b>  | <b>321715</b>  | <b>303280</b>  | <b>341140</b>  | <b>322705</b>  | <b>360565</b>  | <b>342130</b>   | <b>379990</b>   | <b>361555</b>   |
| <b>Cumulative</b>                     | <b>7486090</b>                       | <b>7750520</b> | <b>8052810</b> | <b>8336665</b> | <b>8658380</b> | <b>8961660</b> | <b>9302880</b> | <b>9625505</b> | <b>9986070</b> | <b>10328200</b> | <b>10708190</b> | <b>11069745</b> |
| <b>Expenses</b>                       |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| <b>Initial Costs</b>                  |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Leagal @ 500/s                        | 4000                                 | 3500           | 4000           | 3500           | 4000           | 3500           | 4000           | 3500           | 4000           | 3500            | 4000            | 3500            |
| Rent Initial                          | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| Utilities Initial                     | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| Communications Initial                | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Office</b>                         |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Rent                                  | 4000                                 | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000           | 4000            | 4000            | 4000            |
| Fixtures and Fittings                 | 200                                  | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200             | 200             | 200             |
| Insurance                             | 550                                  | 550            | 550            | 550            | 550            | 550            | 550            | 550            | 550            | 550             | 550             | 550             |
| Utilities                             | 250                                  | 250            | 250            | 250            | 250            | 250            | 250            | 250            | 250            | 250             | 250             | 250             |
| Stationary                            | 700                                  | 700            | 700            | 700            | 700            | 700            | 700            | 700            | 700            | 700             | 700             | 700             |
| Postage & Carriage                    | 400                                  | 400            | 400            | 400            | 400            | 400            | 400            | 400            | 400            | 400             | 400             | 400             |
| Repairs & Renewals                    | 200                                  | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200             | 200             | 200             |
| Telephone                             | 450                                  | 450            | 450            | 450            | 450            | 450            | 450            | 450            | 450            | 450             | 450             | 450             |
| Cleaning                              | 200                                  | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200            | 200             | 200             | 200             |
| <b>Marketing</b>                      |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Brouchures & Marketing Materials      | 1000                                 | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000           | 1000            | 1000            | 1000            |
| Website Development                   | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Payroll</b>                        |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Executive / Manager                   | 12000                                | 12000          | 12000          | 12000          | 12000          | 12000          | 12000          | 12000          | 12000          | 12000           | 12000           | 12000           |
| Number                                | 2                                    | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2               | 2               | 1               |
| Chief Technical Architect             | 9115                                 | 9115           | 9115           | 9115           | 9115           | 9115           | 9115           | 9115           | 9115           | 9115            | 9115            | 9115            |
| Number                                | 3                                    | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3               | 3               | 3               |
| Lead Programmer                       | 4861                                 | 4861           | 4861           | 4861           | 4861           | 4861           | 4861           | 4861           | 4861           | 4861            | 4861            | 4861            |
| Number                                | 4                                    | 4              | 4              | 4              | 4              | 4              | 4              | 4              | 4              | 4               | 4               | 4               |
| Document Specialist                   | 6076                                 | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076            | 6076            | 6076            |
| Number                                | 2                                    | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3               | 3               | 3               |
| Programmer                            | 4252                                 | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252            | 4252            | 4252            |
| Number                                | 20                                   | 20             | 20             | 20             | 20             | 20             | 20             | 20             | 20             | 20              | 20              | 20              |
| Accountant                            | 4252                                 | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252           | 4252            | 4252            | 4252            |
| Number                                | 3                                    | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3              | 3               | 3               | 3               |
| Marketing Manager                     | 6076                                 | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076           | 6076            | 6076            | 6076            |
| Number                                | 4                                    | 4              | 4              | 4              | 4              | 4              | 4              | 4              | 4              | 4               | 4               | 4               |
| <b>Payroll Total</b>                  | <b>205041</b>                        | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>  | <b>211117</b>   | <b>211117</b>   | <b>199117</b>   |
| <b>Technology</b>                     |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Internet Access                       | 3000                                 | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000            | 3000            | 3000            |
| Printer, Scanner, IT Misc Hardware    | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| Workstations & Maintainance           | 20000                                | 1500           | 1500           | 1500           | 1500           | 1500           | 1500           | 1500           | 1500           | 1500            | 1500            | 1500            |
| Servers & Maintainance                | 40000                                | 2500           | 2500           | 2500           | 2500           | 2500           | 2500           | 2500           | 2500           | 2500            | 2500            | 2500            |
| Software Licenses                     | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Other</b>                          |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| Travel and Lodging                    | 3000                                 | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000           | 3000            | 3000            | 3000            |
| Debt Financing                        | 0                                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Monthly</b>                        | <b>282991</b>                        | <b>232567</b>  | <b>233067</b>  | <b>232567</b>  | <b>233067</b>  | <b>232567</b>  | <b>233067</b>  | <b>232567</b>  | <b>233067</b>  | <b>232567</b>   | <b>233067</b>   | <b>220567</b>   |
| <b>Cumulative</b>                     | <b>7405635</b>                       | <b>7638202</b> | <b>7871269</b> | <b>8103836</b> | <b>8336903</b> | <b>8569470</b> | <b>8802537</b> | <b>9035104</b> | <b>9268171</b> | <b>9500738</b>  | <b>9733805</b>  | <b>9954372</b>  |
| <b>Total</b>                          |                                      |                |                |                |                |                |                |                |                |                 |                 |                 |
| <b>Monthly</b>                        | <b>-126</b>                          | <b>31863</b>   | <b>69223</b>   | <b>51288</b>   | <b>88648</b>   | <b>70713</b>   | <b>108073</b>  | <b>90138</b>   | <b>127498</b>  | <b>109563</b>   | <b>146923</b>   | <b>140988</b>   |
| <b>Cumulative</b>                     | <b>80455</b>                         | <b>112318</b>  | <b>181541</b>  | <b>232829</b>  | <b>321477</b>  | <b>392190</b>  | <b>500263</b>  | <b>590401</b>  | <b>717899</b>  | <b>827462</b>   | <b>974385</b>   | <b>1115373</b>  |

HUGE POTENTIAL

HARJU KOHTURI  
TIMO PISSINEN  
MARIKA SAARINEN  
THOMAS MAUREY

BUSINESS

TYÖ

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## **1. Executive Summary**

We want to offer companies a more flexible way of using style-services by giving the consulting on web.

### **Service / Product**

#### **Need**

The world is becoming smaller every day and it is very important for modern salesmen to represent their companies with their whole appearance. This includes everything from manners to clothing. Many companies have been hiring "style consults" who give lectures about clothing and style to the salesmen.

#### **Problem**

Giving style lectures is expensive for the companies for many reasons. First of all it consumes some effective working time. There are also companies with salesmen all over the country and it is hard to get all these people together at the same time. One big problem with style lectures is also, that they are not as effective as they should be, because employees do not get specific styling and clothing tips. Finally - fashion is changing rapidly.

#### **Answer**

By using our web based styling service, employees can have style counselling, when they don't have anything better to do – for example when they are travelling. Employees can also use the service wherever they want to – if they have access to web. After our stylist has made the individual style analysis, the employee can get new clothing tips following the latest trends as long as somebody is ready to pay the yearly fee.

#### **How do you make money with it?**

#### **Market overview**

In Finland the competition in style-service business is rather low. There are only few styling companies and none of them are working on the web. At the same time an increasing amount of companies are using style services.



### **Business & Marketing strategy**

We contact the marketing executives of the potential customer companies straight and offer them a chance to become more competitive in their own business with less money than by using a normal styling service. We have direct marketing, conferences and advertising in magazines. We get incomes from companies who are our customers.

### **Financial projections**

During the two first years the costs are highly bigger than the incomes, because of high marketing and software developing costs. Break-even point is reached in third year and then the company will get profit.

## 2. Service

### 2.1. Product

We offer web based styling services for salesmen. Our biggest segments are companies which want to integrate their whole staffs clothing style, companies that aim to investigate their workers clothing and invest money only on the worst cases and single people who need styling.

Our advance compared to normal styling services is the fact that our styling tips can be taken whenever the employee has the most suitable time to do it and when he has a real need for styling. It is also cheaper and easier for the companies with staff all around the country to give this service through the net instead of trying to gather all the workers together.

Here are some of the things our stylist can help the client: body language, clothing, table manners, healthy diet, hair, makeup and other cosmetics, colour analyse.

**You never get a second chance to make a first impression.  
Good presentation and personal appearance will help you  
to achieve what you want both professionally and socially.  
All you need to know in one day!**

**ESSENTIAL DATA**  
Price £185 ■ Duration Full Day  
Yours to take away:  
Leather colour wallet, booklet,  
workbook and notes  
Includes lunch and tea  
**Your Nearest Consultant**

- *Individual color analysis*  
*Discover the particular blend of colors that best suit your skin and hair tones*
- *The rules of dressing*  
*Learn about the language of clothes, professional dressing, the advantages of authority dressing and how to wear casual clothes*
- *It's all about you!*  
*Establish the individual style that best suits your shape, personality and lifestyle*
- *Know what works for you and why*  
*Find out about wardrobe management, budgeting and current trends - boost your confidence and save money*



## 2.2. Use Case

Company A and Company B are both selling insurances all around Finland. Company A has been on the market for forty years and it has always been doing a good result. Company B has been on the market only for three years and already it has stolen half of the markets.

The marketing team in company A is wondering, what is causing the sudden change in the markets and they are doing some research concerning company B. They find out, that the salesmen in company B are half younger, than the salesmen in company A. This leads them to the conclusion, that the changes in the markets have nothing to do with the experience of the salesmen. The most visible difference between their old salesmen and company B's young staff is the outlooks.



Company A decides to hire a style consult to improve their salesmen style. They hire a stylist to hold a one daylong lecture for the whole staff. The prize for the lecture is not too high and the management team is pretty hopeful. When the lecture is held in Helsinki, only third of the salesmen attend it. The rest say they are too busy to come all the way to Helsinki from their branch office that is on the other side of Finland. After the lecture the sales figures of the company A go down for a while, because the salesmen haven't worked for a whole day. However, after a while the sales figures start to rise as the reason of the more reliable looking salesmen.

One year later the sales start to go back down. After a new investigation company A comes to the conclusion, that fashion has already changed dramatically and they should update their salesmen clothing again. After the results of the latest lecture they want to try to find a more permanent solution for the problem.

The marketing executive of company A receives a call for our web based styling service. She immediately gets interested, when we tell him our services main advances compared to our competitors. He has already noticed ads that we have published in some professional marketing-magazines.

We invite her to a conference that we hold in a hotel nearby his office. In the conference she meets our main stylist and we talk about the specified styling needs of his company. She agrees to try our *basic* styling package, which includes styling and clothing service. It is the cheapest of our packages.

Next week all the salesmen of company receive a password and an invitation to our web pages. The next free time they have, they log on to our service. They leave their measures and a picture to a specific place in the pages. Our stylist makes an analysis on the bases of this information. Pretty soon the salesmen get first e-mail with pictures of new clothing that would make them look more reliable. They also get prizing and information of how to order/purchase these clothes.

Salesmen get new clothing and pretty soon Company a gets better sales figures. After half a year some salesmen are already bored with their old outfit and they log on to the service again. This time the service has been updated and the salesmen get pictures of the latest collection. Some

salesmen have gained weight during this time and they change their profile on the web pages – after this they get also a bit different set of clothes.

Next year company A has won their market position back. They decide to continue the co-operation with us and pay the yearly fee – that is only 75% of the prize on the first year.

### **2.3. Using the service step by step**

1. Company orders the service to their whole staff.
2. The marketing executive of the client company has a conversation with our stylist concerning the specialised requirements their employees clothing must have.
3. All the members of the staff get a username and a password.
4. Customer logs in to the service on the net by using the given username and password.
5. Customer fills in a questionnaire concerning his measurements and other personal information.
6. Customer downloads his own picture to the service by using a mobile phone camera, scanner etc.
7. Our stylist makes an analysis about the customer and sends him styling tips by e-mail. The customer also gets a specified code-number.
8. The customer logs on to the service again and by using the given code he can check out all the clothes that fit especially him. He also sees the prizes and instructions of where to buy or order these clothes.
9. Customer gets new style.
10. If customer gets tired to his clothes or they wear out, he can log on to the service again. By using the same code number he can get a new selection of clothes of his special style. Clothes selections change 2-3 times a year following the latest collections and fashion.

## **3. Market**

### **3.1. Industry overview**

Stylist-service is quite new area. Few years ago there were no need for clothing- and styling tips. Nowadays we are more international and appearance is more important matter in making business contacts. Stylish clothing and smart behaviour is the key for good expression. Companies are getting to notice that and stylists are offering their knowledge to solve these problems. Yet there is no web based styling service in Finland.

#### **Professional opinion**

Professor Albert Mehrabian writes in his book "Silent Message" that appearance, gesticulation and good style are very important parts in business meetings. Appearance makes 55 %, voice 38 % and content of information only 7 %. If person is not in balance with his style and appearance can result be contradictory for customer. In international dealings there are certain signals that tells us something about opposite side. Bad and unelaborated appearance is the worst signal to give to your customer.

Anneli Kangas-Cederberg has given lectures and education to company staff for over twenty years. Attitudes have been changing a lot over this time period. "At the beginning I had to prove all the time that this kind of attention on your appearance is very important matter in business life and contact making", says Kangas-Cederberg. In competition of customers the first impression of the sales person is very important. You have to convince your customers with your appearance that you are capable and professional person. Employee's high education and knowledge isn't enough to improve the opposite side. Previously this kind of knowledge came from home, now its company's task to take care of. Wordless communication gets more and more important every day. Well-cultured, good-looking salesperson can improve the customer and be noticed better than competitors, even if the product is the same quality as others have.

#### **Who is using styling services?**

Style service users are all kind of companies, all sizes. Banks, offices, salesmen etc. Mainly women are using these services. Private persons are often taking a style course rather than own consultation. Companies are buying courses and consultations for their employees. Artists and performers needs also stylists help. Some companies, for example record- and production companies often have their own stylists. Stylist services are centred in bigger cities and mainly in capital city.

## **Industry image**

This kind of market area is depending on the image of the company. Styling services are usually based on the person, his professional skills and his reputation on markets. The person himself has to be stylish and reliable. The trust from customers is growing on time. Old stylists have their own customer groups already. Markets are quite small, so the companies have to specialize on one area. Company's image has to convince the customer. This kind of industry is very media based. Reputation depends on that how well people know you.

## **How do we fit in?**

Our "Tyyli.com"- styling service is offering same kind of services as our competitors specializing on companies and male customers. Our benefit is location. We don't necessarily have to meet our customers face to face while process. When we work thru Internet we have this benefit compared to our competitors. Concrete parts are like a package for service. Advertisement, environment, people etc. makes the physical image for abstract service. Tyyli.com has concreted the service. Its not only the service, we have also the website, where you can see concrete examples about our work. That gives the customer an idea about the whole service.

Our company is going to improve the image using high quality advertisement, making customer contacts with "good taste". We use advertisement agencies for advertisement design. Our image is going to be high quality and professional. Website is going to present our values and business idea. Site has to be working well and it has to be clear and easy to use. Employees have to concentrate on their outfit and give a good impression.

## **3.2. Market size**

In increasing unemployment, there is more competition in working field. Paying attention in style matters and appearance is one big plus in competition. Spending time and effort in personnel's health and look is also giving better results in sales.

In Finland, people are spending great amounts of money for their appearance. Year 2004 they spend 2,9 milliard euros for clothes (554 e/ inhabitant), for shoes 0,4 milliard euros (81 e/ inhabitant) and for fabrics 0,3 milliard euros (67 e/inhabitant). Altogether 3,6 milliard euros.

Fashion industry is waking up in Finland. We have few young new designers with their own collections and different events and fairs are arranged yearly. Many fashion designers are also stylists and knows about clothing but aren't necessarily doing the stylists work.

### 3.3. Competitor analysis

There are few stylists who are offering styling services. Its difficult to say how big market is, but there is definitely a demand for professional help for clothing and styling tips. Our estimation is about 30 competitive stylist service providers, but no one is offering Internet based service. It's very difficult to find out exact number of potential competitors. Usually styling is only one service that for example model agency or makeup artists and beauty specialists are providing. Some stylists are teaching make up and hair styling also in their own styling school.

In general there are only few styling consults in Finland and none of them are providing in Internet based service. Demand and need for styling services is growing all the time. Main users are nowadays women but men also are potential customers in future.

There is one beauty-tip service for women based on wap-mobile phones for Sonera customers. If you have GPRS in your phone, you can order makeup-tips etc.

### 3.4. Customers

Our customers are companies that are willing to improve their image in market with having good-looking, stylish employees. We hope that we get rather bigger companies to our clients than small, one- or two man companies. Bigger companies make us more independent on their contract but it is more cost effective to have them as a client. We are mainly concentrating on men. When selecting possible users for this kind of service, we must find areas where style has some value. People who decide using styling services could for example be company managers, marketing managers etc. We have to convince them to feel this kind of service important and needed. These people can organize the styling project and decide what type of service and how complete improvement employees need in a company.

After they make the first decision to use Tyyli.com - service, the real users come to picture. Users are all the people in company that are the concrete service users in physical.

#### Users

Service users are busy people, who don't want to spend their time in styling courses. Instead of lectures, we offer straight action. Internet makes it quicker and easier for users. Service users are employees, who are representing their company: estate agents, office personnel, salesmen etc. We design new style concerning the users age, size, profession and other important matters. Optimal customer is finish middle aged man who's work requires a certain outfit and professional look. These men are not interested on fashion and they don't spend their spare time in clothing stores, hairdressers or in gym. They need help from the outside. In many cases the employer hopes better outlooks from employee, but cant exactly require that. In these cases it's easier to take someone from outside to tell how to look in business meetings, office, cocktail parties etc.

There is a certain benefit for the employer and workers own life can also get some "new shine" after complete style change!



## **4. Strategy**

### **4.1. Central objective**

Our central objective is to develop a reliable, trustable online styling service and to become the leader company on this sector in the Finnish market.

### **4.2. Mission**

Tyyli.com provides an Internet based styling service and a virtual clothing store for men who need an adequate style to represent their companies. The service is made as easy as possible using latest technology available in Internet and mobile world. We are aware of fashion movements, so our service will be constantly updated (especially set of clothes).

### **4.3. Core competences**

We are specialized in providing style to our customers. According to the package they are choosing, our professional stylist can provide them:

- New clothing style
- New hair style

Our service is fast and isn't longer that traditional online shop. Our Stylist team considers every customer in a personal way so that style and clothes we are selling will respond to the need.

### **4.4. Competitive advantages**

Unlike other traditional online clothes shop, Tyyli.com adds an interaction with the customer so that it will respond to his real needs. Every customer is followed individually (personal service), therefore we study every case and we suggest the style we think will correspond the best to the customers wish. We keep track of our customer in our database so that we always know preferences of everyone for a fast and reliable service (customized service).

#### **4.5. Position on the market & targeted customer group**

According to our previous studies, we know that at the moment we don't have any competitors on the Finnish market concerning our segment. Companies who have willingness to use our styling services represent our main target group. Companies representing staff already have possibility to order clothes on Internet, but without any advices and in a singular way, they do it without any discussion in their own companies. We provide a new way of buying clothes in our segment. However we already know that our price would be significantly more expensive than our nearest competitor, which are traditional online clothes shop. Indeed we are adding our style suggestion to the normal clothes selling. But we expect that this new type of services will please companies' representing people who are willing to use and pay special tailor-made services that we offer in order to give an adequate image of their companies.

#### **4.6. Competitive advantage in our domain**

Companies aren't usually aware of the newest clothes fashion because they have already so much work in their business and most of the time a single worker is too shy to ask advice to a shop assistant. Having the possibility to buy on Internet from the safety of their home represents the best way to do their shopping without interfering in their work schedule. None of our competitor is providing advices. We are considering knowledge of our core customer, thereby our services main priority is simplicity.

#### **4.7. Our Objectives**

By 2006, we will be implanted in Finland in our office in Helsinki, after these two years, and with experience we will get in Finland, we are planning to export our web-based service to the other Scandinavian countries, Sweden, Denmark and Norway, this exportation require a translation of our Website as well as new offices.

#### 4.8. Introduction of our Strategy

In order to make of our online service a success, we have defined key strategies, which are:

✓ *Advertisement*

Good presence on the web will help to make Tyyli.com known to potential customers and to present our evolutions. But this isn't enough, thereby we know that men's magazine will also play a major role in our advertisement campaign, as well as street announcement.

✓ *Use of latest web technologies*

The customer's interaction is our best way to satisfy them; indeed we need to deploy the latest technology to run our service as well as an appropriate Web site to gain simplicity.

✓ *Professional team*

It is the key of our service, Stylists represent the essential link between the customers and the clothes delivery. Partnership with professional hairdresser is also necessary.

✓ *Reliable delivery*

We are focused to give the best service possible and respond as fast as possible so that customers can get their orders in a short period of time. Therefore we have already select key partners, specialized in goods delivery domain.

## **5. Operating Plan**

### **5.1. Location**

Our office will be situated in Helsinki, as a capital city, Helsinki is a good place to follow fashion evolution. We have identified that the majority of companies are located in big cities or their suburbs, so its quite natural that we establish our headquarter in the area where most Finnish main cities are situated.

Concerning cloth designer and stylists, we think Helsinki is the best place from Finland where we can hire quality people. Moreover Helsinki is a good starting point for all Transportation operation with many companies active on the market.

### **5.2. Facilities and improvements**

Concerning our office, we wont require a huge infrastructure to begin, we need a computer room for IT technicians, who will be in charge of providing the technical side of the web site (database, form), our web designer will elaborate the layout of our pages. Moreover we need to create one laboratory for our clothes designer, at the start of our company this laboratory will be simple as we plan to use other existing companies to design our clothes. Then in a near future when will get more experience we will hire our own stylists, therefore we will need significantly bigger infrastructure.

### **5.3. Labour Force**

Around Helsinki there is enough talent to hire, Finland is well known for the quality of its IT engineers. Concerning stylists and clothes designers, we will make some scouting in Helsinki's University of Art & Design, we will also find quality labor forces in the Department of clothing and fashion design of Helsinki.

## **6. Marketing Plan**

### **6.1. Distribution**

#### **Internet and mobile phone is all we need**

We distribute our service mainly via Internet. In the modern world this is the easiest way for many companies. Internet gives us also the advantage of being in contact with the clients when they are abroad.

The clients approach our company through e-mail questionnaires or in the biggest cases by phone. In this first contact we get the information concerning the size of the order and the precise need.

We get the images of our clients through pictures that they send to us with their cellular phones or with e-mail. It is very easy for the clients to take and send us pictures of their clothing at the moment, because many cellular phones are equipped with digital cameras.

The rest of the needed basic information (like measurements) we get through the questionnaire. The styling services are given through e-mail.

When the client is satisfied with the clothing that our stylist is proposing for him, he can order it through mail or walk to the shop.

#### **Advances to the company and to the user**

Companies can buy the service to their staff and give it as a Christmas bonus or a similar present. This way they avoid the embarrassment of ordering a single employee to buy new clothes.

For single persons we offer different kinds of styling services depending on the amount of need. The keyword is targeted styling. Salesman who is in desperate need of new clothes for an important business meeting does not want to hear about table manners.

#### **What does it cost?**

For companies who wish to integrate their whole staffs clothing we offer three kinds of services. The Basic pack includes a brief styling session with clothing tips etc. The advance pack includes an outfit designed to fit each individual member of the staff. The Executive pack includes the

whole nine yards with new haircuts, cosmetics, individual clothing etc. Obviously the Executive pack is the most expensive one and it is designed to please the salesmen in the highest places.

Basic pack costs 120 euros/employee, Advance pack costs 160 euros/employee and Executive pack costs 200 euros/employee. In the biggest cases companies can get some discounts.

## 6.2. Marketing communications

In our marketing communications our goal is to create long-term relationships with a few big companies. We target all of our marketing directly on the executive level and we try to build a very personal relationship with the executives. In this kind of relationship trust is very important. This is why the executives of our biggest clients can call us whenever they want and we try to set up meetings as often as possible.

### Strong image

We also create a strong image for our service through a public figure that has already credibility as a "man who knows style". This way we are not selling just style in general. Our style must have a face. Example: Teuvo Loman, a famous Finnish stylist.



We start with advertising. In our advertisements we use for example some Finnish celebrities, who have a reputation of bad style like Arto Meller or Matti Nykänen. We give them a styling session and take before- and after the session photographs of them. I think that Matti might be quite handsome without his awful 80's clothing and hair dyeing.

### Advertising

We advertise our service in the biggest economical magazines in Finland. We use both the paper and online versions. Our aim is to create awareness in the executive floor. During the first year we use substantial amounts of money only on the advertising. Here are the magazines we intend to use:

Kauppalehti - <http://www.kauppalehti.fi/>

Kauppalehti Online stocks, funds and cash currencies.

Markkinointi ja Mainonta - <http://www.marmai.fi/>

A fresh view to the marketing, sales and media.

Bisnes.fi - <http://www.bisnesfi.fi/>

An economical magazine for the new generation.

Talouselämä - <http://www.talouselama.fi/>

The biggest weekly economical magazine in the Scandinavia.

Tekniikka&Talous - <http://www.tekniikkatalous.fi/>  
The biggest business-to business magazine in Finland.

### **Direct contact**

The next step is to take direct contact to the marketing executives. A styling service does not interest most Finnish men. On the other hand most women seem to be very interested on this subject. This is why we aim most of our marketing on the marketing executives who are women. This happens via phone. During this phase we try to invite the executives to brief presentation of our service.

### **The Presentation**

The presentations are the second big thing we are prepared to use lots of money and time. We hold these presentations in the meeting rooms of hotels and during them we offer our guests food and drinks and maybe free styling tips. The goal is to build a firm trust that leads to business.

### **Maintaining strong relationships**

After the contracts are written and the employees are using our styling service we try to update our service constantly according to the feedback we get from the users.

After we have given our service to a client we aim to get him to use it also in the future. Fashion is changing all the time and clothes wear out pretty fast. It is also a fact that people tend to loose or gain weight pretty rapidly sometimes. We want to help the companies not only gain a representative staff, but also maintain it in the future. Offering to update the staffs clothing on yearly bases following the latest collections and fashion does this.

## 7. Management Team

Our management team consists of four members, which all have different kinds of skills that make our company stronger. At the moment all of our members are ending their studies in Polytechnics of Salo, Turku and Lahti.

**The Chief** - Hannu Kontturi has been studying television- and cinema in Lahti Polytechnics. In his studies he has been concentrating on directing and screenwriting. His directing experiences have made him a strong team leader. He is also a gifted writer and his sense of drama is giving him great tools in writing believable representations and advertising slogans.

**The Marketing Executive** - Marika Saarinen has been studying multimedia design in the Lahti Polytechnics. In our management team she controls the graphic design of the web pages and our advertising. Marika is also a gifted photographer, which is very useful when taking pictures for advertising and other things.

**The Financial Executive** - Timo Nissinen has been studying economics in the Salo Polytechnics. He is managing all the money flow in our company. Timo has already strong connections with some possible clients – such as Nokia.

**The Technical Executive** - Thomas Maurey has been studying information technology in Turku Polytechnics. He is coding our web pages and designing the technical side of the whole project. He will be the system administrator of our style service – web pages. In this kind of service it will be crucial to develop the user interface all the time. The fact that Thomas is French gives us also another advantage. His cultural background can give the service a fresh angle.

These four are the original members of our company. Obviously we are still missing the key factor of the whole concept – the stylist. Our plan is to hire one commonly known man to be the leader figure of our company. This man is the main stylist in the company and all the biggest clients can meet him in person in the presentations. If they trust him, they will trust our company.



## 8. Financial Plan

### 8.1. Sources of income

In our business the money comes from customers or in other words from companies that buy services from us to their staff. Company or customer has three different choices to buy: Basic, Advance or Executive packet.

Packets includes following services:

Basic packet: The basic packet Tyyli.com offers includes normal stylist service with clothing service. Stylist checks out the best suitable clothes that fit for user.

- Stylist
- Clothing service

Advance packet: In Advance or other words advanced packet there are the same services as in Basic packet but there is also a hair analyse where stylist gives different fitting hair style guiding.

- Stylist
- Clothing service
- Hair style analyse

Executive packet: Executive is the full packed we offer. In that package there are services form advance packed but now the stylist is concentrating also in colours, deeper than before. Executive is packet that offers best suitable clothes, hairs style, and hair colour and of course all that so they all fit together and for user.

- Stylist
- Clothing service
- Hair style analyse
- Personal colour analyse

Our goal is to pick new customers from sales persons and other higher-level personnel. We keep in contact with existing customers and offer them same service in following years. If we can keep 75% of new customers after a first year and 50% of customers after two years we have enough customers to have a business.

Pricing system works like this. Person buys a Gold packet in price 220 euros. If he wants to be our customer also in second year he will get the same services with 180 euros. Third and years after that will cost 150 euros.

The cheaper prices can be explained for following reasons. Our stylists' needs to do less work with old customers because customers are already known; we know basic information about customer and colour analyse for example has been done in last year. By offering cheaper prices we can also expect that customer will continue cooperation with us.

Prices:

|                   |               |      |
|-------------------|---------------|------|
| Basic packet:     | New customer: | 130€ |
|                   | Second year:  | 90€  |
|                   | Third year:   | 80€  |
| Advance packet:   | New customer: | 170€ |
|                   | Second year:  | 130€ |
|                   | Third year:   | 110€ |
| Executive packet: | New customer: | 220€ |
|                   | Second year:  | 180€ |
|                   | Third year:   | 150€ |

## 8.2. Sales forecast

During the first months after launching there is no customers, instead there is just hard work informing companies that there is a new opportunity available to make things easier and more efficient than before. If we look economical forecasts in European area we can expect that in following years the economical growth makes business like virtual styling succeed, or at least it gives better possibilities to survive. While companies have more money, they are also willing to use it to development of their business and our system is one tool to do it.

During the first year our goal is to find round 1000 new customers and to reach that goal our marketing, consulting and services must be interesting and efficient. Getting new customers in year one is important also because of the fact that we want to keep new customers also in following years. Other word this years customers contacts infects also in future sales. If our expectations that we can keep 75% last years and 50% of year before customers we have better situation in coming years. If we count new and old customers together the break-even point is 1600 new customers and 2000 old customers. So that we can keep our business on plus side we need to have round 4000 customers per year.

### 8.3. 5 years cash flow (yearly basis)

In figures below there are shown yearly incomes, costs and balance. As seen and expected the company will do positive results in second year but profit can be reached in third year.

| Year   | 1       | 2       | 3       | 4       | 5       |
|--------|---------|---------|---------|---------|---------|
| Income | 140400  | 330600  | 501900  | 636000  | 754800  |
| Costs  | -341350 | -356953 | -424865 | -473750 | -486380 |
| TOTAL  | -200950 | -26353  | 77035   | 162250  | 268420  |

### 8.4. Funding requirements

In the begin the money is needed to buy office furniture, leasing the car and computers, rent, salaries, marketing and lots of other cost like software, insurances, etc. Because in the beginning there are no customers to get incomes we need loan from bank or from investors.

As counted in Fife year monthly basis calculation the cost to roll business' first year are round 350 000€ and expected incomes are only 150 000€ the needed loan is round 200 000€. If everything goes as planned the 200 000€ loan could be paid pack in four years, depending about amount of customers.

## **9. Risk Analysis**

### **9.1. S.W.O.T. Analysis**

#### **Strengths**

Our styling services best benefits are that company can save time and money. Time is saved because staff can contact us where ever she/he wants, company don't need to gather all salesman together in some planned place in some planned time.

The service we are offering to companies is helping them to be more competitive against their competitors. Their staff will be always wearing good-looking clothes that are latest mode.

#### **Weaknesses**

When launching a totally new business to markets there are always some risks. Unexpected costs might occur and sales might not be as planned in the beginning. Also the markets in Finland might be too small and amount of possible customers can be less than needed. Attitudes of companies can also be against us, they might not want to change their working models, they just trust in their old system.

#### **Opportunities**

Our opportunities are that we are the first company that offers this kind of service. Styling services have always been done traditional way and we bring these services to web. If the virtual profile of customer leads him to our office without physical contact and we can help him by interactively, we are very competitive against traditional stylist behaviour.

Because going to stylist is not so common here in Finland it might be easier to customer to be in contact trough Internet. Shyness can be problem to go physically to a real stylist.

#### **Treats**

As a treats we must count possible competitors that might exist in few years after launching. The market area in Finland might be also too small. Attitudes toward new king of service might also create a treat.

## 10. Appendices

### 10.1. Technical concept

Our service is not requiring advanced devices or software, and however the most important part will be the implementation of databases that will contain all site contents. Our service's technical elements are the following

✓ *Website front page*

The Website front-page stand for the most prominent element of our service to our client, in fact it is the first element that will be seen by new users. Website interface must be attractive and not so complicated to avoid losing potential clients. It should be fast to download into the web browser so there is a need to use light images and graphics so pages coding must be well organized.

✓ *The on line Form*

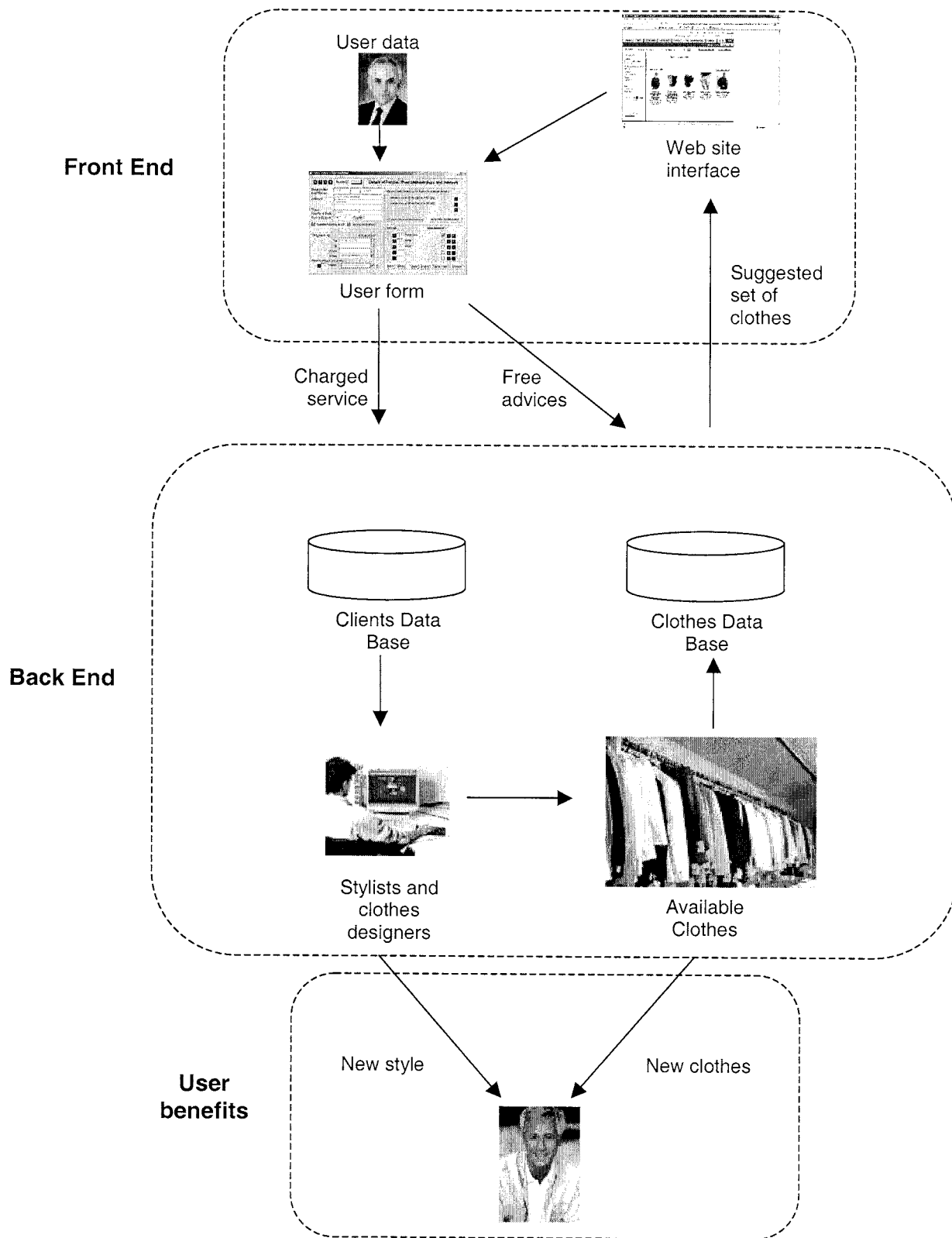
If the user decides to use our service he will be asked to fill a form. This form contains a set of questions about the users current style of clothing and also about the style he would like to adopt in case he got some ideas, this process will ease the stylist work. The form contains also fields reserved for personal information. A picture can also be sent via the form.

✓ *User Database*

When new user have filled the form via our website, they have been asked some personal information so that we can define their profile and provide them the most accurate styling and clothing services so User database will contains basic information such age, location, marital situation, hair color, shape of body, height, weight, cost and the desired kind of style, and so on...

✓ *Clothes Database*

All clothes available to users will be stored in this large database so that stylist will be able to match any user needs with those clothes. Pictures of this huge on line wardrobe will be available to users so that they can choose themselves or just have an overview.



## 10.2. Management Team's CVs

### Hannu Kontturi

0101287  
Puusepänkatu 9 A 9  
15100 Lahti  
041 5364250

#### CURRICULUM VITAE

I am a twenty-five-year old boy from Lahti and I have been studying in Lahti Polytechnic Design Institutes department of film- and TV-studies for three years. I am going to specialize in directing, screenwriting and editing. I do not have any real working experience yet, but here is what I have done in this school so far:

##### **Directing.**

On fall of 2002 I directed a fifteen-minute long document titled "Bottle Jussi". It is a story about a homeless guy trying to make it in the cold Finnish winter. During this winter I wrote and directed a short educational movie called "Fire alarm".

##### **Screenwriting.**

I wrote both of the films that I directed. I have also written dozens of short films, which will hopefully see daylight in the nearby future.

##### **Editing.**

I edited a ten-minute long short film called "The Wedding car driver" with Avid – editing program. I have also been editing with Final Cut Pro.

##### **Sound.**

I did the sound designing for a ten-minute long document called "A home on the Black Rocks". I used Pro Tools for the job.

I am also familiar with the other fields of film making such as camera, lights, organizing and acting from our school projects.

#### WORKING EXPERIENCE

Local cable channel "Hillo TV", Lahti. 2.10.2002

During this time I have been working as a chat host, designing logos for mobile phones, updating www-pages and developing the channel.

**The Evangelist-Lutheran church**, Joensuu. 5.2.1999 - 2.2.2000 Janitor.

**A TV-production house "Filmitööllisyys"**, Helsinki 15.5 -18.6.2004 and 15.7 - 11.8.2004 I was a trainee and I worked as an assistant director.

I have also been working in a building construction, warehouse and a coffee shop.

#### EDUCATION

Matriculation examination, High school of Eno, 1998

#### HOBBIES

My hobbies include sports and music. I have been writing songs as far as I can remember. This skill has proven itself to be very useful. I have composed and performed music for all of my own films so far.

## Thomas MAUREY

Kataraistentie 1A 13  
20740 TURKU  
Phone: +358 (0) 50 3728419  
Email: thomasmaurey@hotmail.com  
Date of birth: May 28<sup>th</sup> 1980 at Nancy (France)  
French nationality  
Driving license and car

### EDUCATION

**2002-04** Information Technology Degree program in Turku Polytechnic (Finland)  
**2001-02** Erasmus exchange student in Satakunta Polytechnic of Pori (Finland).  
**1999-01** B.T.S. industrial computing at Nancy in Lycée Loritz(France)  
**1998-99** French baccalaureate STI in Lycée Loritz (specialized in the electronics technology)

### PROFESSIONAL TRAINING

**2002 & 2003** Summer job at Socotec (Nancy) as an electronic archive manager  
**2002** Development of an Internet Website with Database for O.M.S. Nancy  
**2001** Thesis of B.T.S. in Lycée Henri Loritz.  
Subject: Development of a meteorological station running on a 68HC12 processor  
**2000** Training period at the C.R.A.N. (Automatisms Research Center of Nancy)  
Subject: Development of an emulator of a packet switched wide area network, implemented on a PC running on Real Time Linux.

### KNOWLEDGES

- Electronics designing
- Network: Data Communication, CCNA and CCNP level from Cisco academy
- Programming language: C, C++, Java, Php, SQL, LabView,
- Assembly language: 8086, 68000, 68HC12
- Operating systems: Windows, Unix, Linux, OS9
- Multimedia: HTML, Flash, Dreamweaver
- 

### LANGUAGES

- French: native language
- English: spoken and written
- Spanish: School level
- German: School level
- Finnish: basic knowledge

### ACTIVITIES

- Holder of B.I.F. (In line skate instructor)
- In line hockey junior team coach of RHC Nancy (France)
- Volunteer at the 14<sup>th</sup> World Transplant Game in Nancy as translator

**INTEREST** - In line Hockey, Traveling- Other sports: Swimming, Tennis



## **Timo Nissinen**

### **EDUCATION**

|           |   |
|-----------|---|
| 1996-1999 | Hermann High School: Salo Finland<br>High School Graduate                                   |
| 1999-2000 | Military training/ Medical: Turku Finland   |
| 2000-2001 | Business And Health Care College: Salo Finland<br>College Diploma                           |
| 2001-     | Turun Ammattikorkeakoulu: Salo Finland<br>Degree program in business information technology |

### **PROFESSIONAL EXPERIENCE**

|                            |   |
|----------------------------|---|
| Summer of<br>2000 and 2001 | Veikkausrasti In Salo.                        |
| Summer 2003                | Nokia Mobile Phones: Salo Finland             |
| Summer 2004                | International Business Machines: Salo Finland |

### **INTERESTS**

Sports: Gym, Rollerblading, Hunting, Golf and Drawing

### **ADDITIONAL SKILLS**

Driver's license  
First aid courses 1-3 (Finnish Red Cross)  
Fluent English, good Swedish and basics of Germany

## Marika Saarinen

Date and place of birth: 11.4.1980, Loppi  
Address: Aleksanterinkatu 37 a 36, 15140 Lahti  
E-mail: [marika-saarinen@luukku.com](mailto:marika-saarinen@luukku.com)  
Homepage: [www.maika2004.com](http://www.maika2004.com)

### EDUCATION

Matriculation Examination Tiirismaan Lukio, 1999  
Bachelor of Cultural Studies  
(Multimedia Design) Institute of Design, Lahti (Graduation 2005)

### WORK EXPERIENCE

During school I have been working evenings and weekends in Sibelius-Hall, bars and nightclubs.

Last summer I was working in Spain, designing advertisement and graphic design in Cosmetica-Norris S.L.

Every now and then I do some photographing like model portfolios, fairs, weddings etc.

### AREAS OF INTERESTS

I'm very interested in photographing and graphic design. In future I would like to work in advertising company or as a photographer.

### COMPUTER SKILLS

Photoshop (good)  
Freehand (fair)  
Flash (fair)  
After Effect (basics)

### HOBBIES

Gym, Snowboarding, traveling, working

### REFERENCES

Cosmetica Ritva Norris S.L., Jukka-Pekka Varis email: [info@cosmetica-norris.com](mailto:info@cosmetica-norris.com)  
Modelagency Model Ace Ky, Marjo Niittyviita email: [model.ace@pp.phnet.fi](mailto:model.ace@pp.phnet.fi)

### **10.3. Styling services Study**

Answers: Janita Rasinen (JR) styling consult  
Marianne Palonen (MP) stylist, styling consult

#### ***What kind of styling services you provide to companies?***

In clothing we give advice for different body shape, that clothes would suit perfectly, show good parts of body and hide not-so-good parts. Clothes should be chosen by purpose and occasion. We also inform our customers for clothing etiquette. Color matters are also very important in clothing. Color of the clothes should fit with the color of your hair, eyes and skin. Our goal is good and complete new style. (JR)

In styling we tell how to wear clothes right way. Body movement and posture. For women, makeup and skin care is also important. Behavior and matters, dress code in business and healthy lifestyle. (JR)

All these services are also available for private customers. (JR)

We provide clothing services, including right colors, body shape and size of the clothes. And also advice for right way of choosing right hairstyle, makeup, eye glasses etc. In our styling session we have coffee and something to eat. One session takes about 3 hour. (MP)

#### ***How do you prize your service?***

Usually we prize it by hours but it depends on size of the group. (JR)

One session is about 60 e. Including coffee. (MP)

#### ***How often companies use your service?***

Most of them use styling services twice a year.(JR)

#### ***How many companies you have as your customer?***

About 35 companies. (JR)  
14 Summer Universities and (Kansalaisopisto).(JR)

***Who are using your service?***

Banks, Insurance companies, Oikeuslaitokset, teachers (very much). (JR)

Generally people in customer service companies are interested in styling services. From supermarket staff to jewellery importers and lawyers. Mainly women. Potential users are all the companies who wish their employees to be supporting company sales and good image with their outlook and behavior. (JR)

Hairdressers, bakery staff, bank- and financial workers, Nokia people, and sometimes one or two-people companies also.(MP)

***Do you think that there will be market to this kind of service in future?***

Yes! In increasing unemployment, there is more competition in working field. Paying attention in style matters and outlook is one big plus in competition. Spending time and effort in personnel's health and outlook is also giving better results in sales. (JR)

In generally there is only few styling consults in Finland and none of them are providing in Internet based service. Demand and need for styling services are growing all the time. Main users are nowadays women but men also are potential customers in future.

#### 10.4. Client Research

**Säästöpankkiliitto**, markkinointisuunnittelija Maija Penttinen, 09-61844310,  
[majja.penttinen@saastopankkiliitto.fi](mailto:majja.penttinen@saastopankkiliitto.fi)

Maija Penttinen is planning the marketing strategies in a union of "Säästöpankki"-Banks. Before this job Maija had been selling clothes in a very respected clothing store so she was the perfect target for my questions.

First of all it became pretty obvious that Maija agreed with me on the subject that it is getting more and more important for service personnel to have some style.

In my conversation with Maija I found out some very interesting points. She told me that there are a large number of men in high places who are in desperate need of style counselling. Some men have for example lost lots of weight and are still wearing the same set of clothes as before. She has noticed that in this kind of situation it is embarrassing for colleagues to interfere. Maija said that in her opinion it would be easier to use a stylist in this kind of situation – but the problem is corporations give style-counselling sessions to their employees only once a year.

Maija also said that many women would be interested in having a stylist's opinion on their style. She herself had many experiences about a thing she calls "blind spots". Even if a person feels she has a great outfit she may be "blind" to some small flaws. Maija told me a story about her colleague who had beautiful clothes but who wore always the same bright red-coloured lipstick – and people laughed at her behind her back. It took many years before somebody had the courage to tell this poor woman what was wrong.

The last part of our conversation concerned Internet. Maija was very interested about the net-based style service. She said that it would be great to get style advices whenever there would be need for them and time to concentrate on such issues. On her opinion it would also be easier for men to get "anonymous" advices rather than meeting stylists in flesh.

## 10.5. Five years cash flow in details

| Salaries            | 1             | 2             | 3             | 4             | 5             | 6             | 7             | 8             | 9             | 10            | 11            | 12            |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Programmer          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          |
| Sales person 1      | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Sales person 2      | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Stylist             | 0             | 0             | 0             | 2250          | 2250          | 2250          | 2250          | 2250          | 2250          | 2250          | 2250          | 2250          |
| Advertising         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         |
| Advertising letters | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          |
| Rents               | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           |
| Conference rents    | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| Car leasing         | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           |
| Computers x 4       | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| Office Stuff        | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           |
| Office furniture    | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Printer             | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Copy Machine        | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Scanner x 2         | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Other Costs         | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           |
| Insurance           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           | 800           |
| Phones + ASDL       | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            |
| Electrics           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| Conference catering | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Magazines           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Transport costs     | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Software cost       | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Photo Shop          | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Access              | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           |
| Accounting tool     | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Html editor         | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| Web hosting         | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| <b>Total</b>        | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> | <b>341350</b> |

| Basic/Price                 | Year 1   |          |          |              |              |              |              |              |              |              |              |              | To Stylist/Customer |               |
|-----------------------------|----------|----------|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------|
|                             | 1        | 2        | 3        | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           | 12           |                     |               |
| 130 New customers           | 0        | 0        | 0        | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  | 15            |
| 90 75% of last years cust.  | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 5             |
| 80 50% of 2 year old cust.  | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 5             |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>  | <b>3900</b>         |               |
| <b>Advance/Price</b>        |          |          |          |              |              |              |              |              |              |              |              |              |                     |               |
| 170 New customers           | 0        | 0        | 0        | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  | 25            |
| 130 75% of last years cust. | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 7             |
| 110 50% of 2 year old cust. | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 7             |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>  | <b>5100</b>         |               |
| <b>Executive/Price</b>      |          |          |          |              |              |              |              |              |              |              |              |              |                     |               |
| 220 New customers           | 0        | 0        | 0        | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  | 35            |
| 180 75% of last years cust. | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 9             |
| 150 50% of 2 year old cust. | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 9             |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>  | <b>6600</b>         |               |
| <b>All together</b>         |          |          |          |              |              |              |              |              |              |              |              |              |                     |               |
| New customers               | 0        | 0        | 0        | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90                  | 810           |
| 75% of last years cust.     | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 0             |
| 50% of 2 year old cust.     | 0        | 0        | 0        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0                   | 0             |
| All customers               | 0        | 0        | 0        | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90                  | 810           |
| <b>Total income</b>         | <b>0</b> | <b>0</b> | <b>0</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b> | <b>15600</b>        | <b>140400</b> |

| Stylist fees | Year 1   |          |          |             |             |             |             |             |             |             |             |             |             |
|--------------|----------|----------|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|              | 1        | 2        | 3        | 4           | 5           | 6           | 7           | 8           | 9           | 10          | 11          | 12          |             |
| Basic        | 0        | 0        | 0        | 450         | 450         | 450         | 450         | 450         | 450         | 450         | 450         | 450         | 450         |
| Advance      | 0        | 0        | 0        | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         |
| Executive    | 0        | 0        | 0        | 1050        | 1050        | 1050        | 1050        | 1050        | 1050        | 1050        | 1050        | 1050        | 1050        |
| <b>Total</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> | <b>2250</b> |

Profits and Costs Year 1

| Budget       |                |
|--------------|----------------|
| Incomes      | 140400         |
| Costs        | 341350         |
| <b>Total</b> | <b>-200950</b> |



|                     | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     |        |        |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Salaries            |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Programmer          | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   | 3750   |
| Sales person 1      | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   |
| Sales person 2      | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   | 3000   |
| Stylist             | 3000   | 3000   | 3000   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   | 3473   |
| Advertising         |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Advertising letters | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  | 12000  |
| advertising letters | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   |
| Rents               |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Rent                | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    |
| Conference rents    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    |
| Car leasing         | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    | 400    |
| Computers x 4       | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    |
| Office Staff        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Office furniture    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    | 350    |
| Other Costs         |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Insurance           | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    |
| Phones + ASDL       | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    |
| Electrics           | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     | 40     |
| Conference catering | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    | 200    |
| Magazines           | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    |
| Transport costs     | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    |
| Software cost       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Photo Shop          | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    | 100    |
| Accounting tool     | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    |
| Web hosting         | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     | 60     |
| Total               |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                     | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 | 356953 |

Year 2 1 2 3 4 5 6 7 8 9 10 11 12 To Stylist/Customer

|                        |                         |       |       |       |       |       |       |       |       |       |       |        |
|------------------------|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| <b>Basic/Price</b>     |                         |       |       |       |       |       |       |       |       |       |       |        |
| 130                    | New customers           | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 15     |
| 90                     | 75% of last years cust. | 0     | 0     | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 5      |
| 80                     | 50% of 2 year old cust. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 5      |
|                        | <b>Total</b>            | 5200  | 5200  | 7225  | 7225  | 7225  | 7225  | 7225  | 7225  | 7225  | 7225  |        |
| <b>Advance/Price</b>   |                         |       |       |       |       |       |       |       |       |       |       |        |
| 170                    | New customers           | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 25     |
| 130                    | 75% of last years cust. | 0     | 0     | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 7      |
| 110                    | 50% of 2 year old cust. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 7      |
|                        | <b>Total</b>            | 6800  | 6800  | 9725  | 9725  | 9725  | 9725  | 9725  | 9725  | 9725  | 9725  |        |
| <b>Executive/Price</b> |                         |       |       |       |       |       |       |       |       |       |       |        |
| 220                    | New customers           | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 35     |
| 180                    | 75% of last years cust. | 0     | 0     | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 23    | 9      |
| 150                    | 50% of 2 year old cust. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 9      |
|                        | <b>Total</b>            | 8800  | 8800  | 12850 | 12850 | 12850 | 12850 | 12850 | 12850 | 12850 | 12850 |        |
| <b>All together</b>    |                         |       |       |       |       |       |       |       |       |       |       |        |
|                        | New customers           | 120   | 120   | 120   | 120   | 120   | 120   | 120   | 120   | 120   | 120   | 1440   |
|                        | 75% of last years cust. | 0     | 0     | 68    | 68    | 68    | 68    | 68    | 68    | 68    | 68    | 608    |
|                        | 50% of 2 year old cust. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
|                        | <b>All customers</b>    | 20800 | 20800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 2048   |
|                        | <b>Total</b>            | 20800 | 20800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 29800 | 330600 |

|                     |      |      |      |      |      |      |      |      |      |      |      |      |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>Stylist fees</b> |      |      |      |      |      |      |      |      |      |      |      |      |
| Basic               | 600  | 500  | 500  | 713  | 713  | 713  | 713  | 713  | 713  | 713  | 713  | 713  |
| Advance             | 1000 | 1000 | 1000 | 1158 | 1158 | 1158 | 1158 | 1158 | 1158 | 1158 | 1158 | 1158 |
| Executive           | 1400 | 1400 | 1400 | 1603 | 1603 | 1603 | 1603 | 1603 | 1603 | 1603 | 1603 | 1603 |
| <b>Total</b>        | 3000 | 3000 | 3000 | 3473 | 3473 | 3473 | 3473 | 3473 | 3473 | 3473 | 3473 | 3473 |

Profits and Costs Year 2

|               |        |
|---------------|--------|
| <b>Budget</b> |        |
| Incomes       | 330600 |
| Costs         | 356953 |
| <b>Total</b>  | -26353 |



| Basic/Price                 | Year 3       |              |              |              |              |              |              |              |              |              |              |              | To Stylist/Customer |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|
|                             | 1            | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           | 12           |                     |
| 130 New customers           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50                  |
| 90 75% of last years cust.  | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  |
| 80 50% of 2 year old cust.  | 0            | 0            | 0            | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15                  |
| <b>Total</b>                | <b>9200</b>  | <b>9200</b>  | <b>9200</b>  | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b> | <b>10400</b>        |
| <b>Advance/Price</b>        |              |              |              |              |              |              |              |              |              |              |              |              |                     |
| 170 New customers           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50                  |
| 130 75% of last years cust. | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  |
| 110 50% of 2 year old cust. | 0            | 0            | 0            | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15                  |
| <b>Total</b>                | <b>12400</b> | <b>12400</b> | <b>12400</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b> | <b>14050</b>        |
| <b>Executive/Price</b>      |              |              |              |              |              |              |              |              |              |              |              |              |                     |
| 220 New customers           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50           | 50                  |
| 180 75% of last years cust. | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30           | 30                  |
| 150 50% of 2 year old cust. | 0            | 0            | 0            | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15                  |
| <b>Total</b>                | <b>16400</b> | <b>16400</b> | <b>16400</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b> | <b>18650</b>        |
| <b>All together</b>         |              |              |              |              |              |              |              |              |              |              |              |              |                     |
| New customers               | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150          | 150                 |
| 75% of last years cust.     | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90           | 90                  |
| 50% of 2 year old cust.     | 0            | 0            | 0            | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45                  |
| <b>All customers</b>        | <b>38000</b> | <b>38000</b> | <b>38000</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b>        |
| <b>Total</b>                | <b>38000</b> | <b>38000</b> | <b>38000</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b> | <b>43100</b>        |

| Stylist fees | Year 3      |             |             |             |             |             |             |             |             |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|              | 1           | 2           | 3           | 4           | 5           | 6           | 7           | 8           | 9           | 10          | 11          | 12          |             |
| Basic        | 900         | 900         | 900         | 975         | 975         | 975         | 975         | 975         | 975         | 975         | 975         | 975         | 975         |
| Advance      | 1460        | 1460        | 1460        | 1535        | 1535        | 1535        | 1535        | 1535        | 1535        | 1535        | 1535        | 1535        | 1535        |
| Executive    | 2020        | 2020        | 2020        | 2155        | 2155        | 2155        | 2155        | 2155        | 2155        | 2155        | 2155        | 2155        | 2155        |
| <b>Total</b> | <b>4380</b> | <b>4380</b> | <b>4380</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> | <b>4665</b> |

Profits and Costs Year 3

| Budget       |              |
|--------------|--------------|
| Incomes      | 501900       |
| Costs        | 424865       |
| <b>Total</b> | <b>77035</b> |



| Basic/Price                 | Year 4       |              |              |              |              |              |              |              |              |              |              |              | To Stylist/Customer |               |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------|
|                             | 1            | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           | 12           |                     |               |
| 130 New customers           | 80           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60                  | 15            |
| 90 75% of last years cust.  | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38                  | 5             |
| 80 50% of 2 year old cust.  | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20                  | 5             |
| <b>Total</b>                | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b> | <b>12775</b>        |               |
| <b>Advance/Price</b>        |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| 170 New customers           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60                  | 25            |
| 130 75% of last years cust. | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38                  | 7             |
| 110 50% of 2 year old cust. | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20                  | 7             |
| <b>Total</b>                | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b> | <b>17275</b>        |               |
| <b>Executive/Price</b>      |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| 220 New customers           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60                  | 35            |
| 180 75% of last years cust. | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38           | 38                  | 9             |
| 150 50% of 2 year old cust. | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20           | 20                  | 9             |
| <b>Total</b>                | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b> | <b>22950</b>        |               |
| <b>All together</b>         |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| New customers               | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180          | 180                 | 2160          |
| 75% of last years cust.     | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113          | 113                 | 1350          |
| 50% of 2 year old cust.     | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60           | 60                  | 720           |
| <b>All Customers</b>        | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b>        | <b>4230</b>   |
| <b>Total</b>                | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b> | <b>53000</b>        | <b>636000</b> |

| Stylist fees | Year 4      |             |             |             |             |             |             |             |             |             |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|              | 1           | 2           | 3           | 4           | 5           | 6           | 7           | 8           | 9           | 10          | 11          | 12          |             |             |
| Basic        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        | 1188        |
| Advance      | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        | 1863        |
| Executive    | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        | 2618        |
| <b>Total</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> | <b>5668</b> |

Profit and Costs Year 4

| Budget  |        |
|---------|--------|
| Incomes | 636000 |
| Costs   | 473750 |
| Total   | 162250 |

|                     | 1             | 2             | 3             | 4             | 5             | 6             | 7             | 8             | 9             | 10            | 11            | 12            |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Salaries            |               |               |               |               |               |               |               |               |               |               |               |               |
| Programmer          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          | 3750          |
| Sales person 1      | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Sales person 2      | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Sales person 3      | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Stylist 1           | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          |
| Stylist 2           | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          | 3335          |
| Secretary           | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| Advertising         |               |               |               |               |               |               |               |               |               |               |               |               |
| Advertising         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         | 12000         |
| advertising letters | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          | 1000          |
| Rents               |               |               |               |               |               |               |               |               |               |               |               |               |
| Rent                | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          |
| Conference rents    | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| Car leasing 1       | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           |
| Car leasing 2       | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           |
| Computers x 7       | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           |
| Office Stuff        |               |               |               |               |               |               |               |               |               |               |               |               |
| Office furniture    | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           | 350           |
| Other Costs         |               |               |               |               |               |               |               |               |               |               |               |               |
| Insurance           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           | 400           |
| Phones + ASDL       | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          | 1200          |
| Electrics           | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| Conference catering | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           |
| Magazines           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| Software cost       |               |               |               |               |               |               |               |               |               |               |               |               |
| Photo Shop          | 100           | 100           |               |               |               |               |               |               |               |               |               |               |
| Accounting tool     | 300           | 300           | 300           |               |               |               |               |               |               |               |               |               |
| Web hosting         | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| <b>Total</b>        | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> | <b>486380</b> |

| Basic/Price                 | Year 5       |              |              |              |              |              |              |              |              |              |              |              | To Stylist/Customer |               |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------|
|                             | 1            | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           | 12           |                     |               |
| 130 New customers           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70                  | 15            |
| 90 75% of last years cust.  | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45                  | 5             |
| 80 50% of 2 year old cust.  | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25                  | 5             |
| <b>Total</b>                | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b> | <b>15150</b>        |               |
| <b>Advance/Price</b>        |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| 170 New customers           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70                  | 25            |
| 130 75% of last years cust. | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45                  | 7             |
| 110 50% of 2 year old cust. | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25                  | 7             |
| <b>Total</b>                | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b> | <b>20500</b>        |               |
| <b>Executive/Price</b>      |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| 220 New customers           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70           | 70                  | 35            |
| 180 75% of last years cust. | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45           | 45                  | 9             |
| 150 50% of 2 year old cust. | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25           | 25                  | 9             |
| <b>Total</b>                | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b> | <b>27250</b>        |               |
| <b>All together</b>         |              |              |              |              |              |              |              |              |              |              |              |              |                     |               |
| New customers               | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210          | 210                 | 2520          |
| 75% of last years cust.     | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135          | 135                 | 1620          |
| 50% of 2 year old cust.     | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75           | 75                  | 900           |
| <b>All customers</b>        | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b>        | <b>5040</b>   |
| <b>Total</b>                | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b> | <b>62900</b>        | <b>754800</b> |

| Stylist fees | Year 5      |             |             |             |             |             |             |             |             |             |             |             |             |  |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
|              | 1           | 2           | 3           | 4           | 5           | 6           | 7           | 8           | 9           | 10          | 11          | 12          |             |  |
| Basic        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        | 1400        |  |
| Advance      | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        | 2190        |  |
| Executive    | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        | 3080        |  |
| <b>Total</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> | <b>6670</b> |  |

Profits and Costs Year 5

| Budget       |               |
|--------------|---------------|
| Incomes      | 754800        |
| Costs        | 486380        |
| <b>Total</b> | <b>268420</b> |



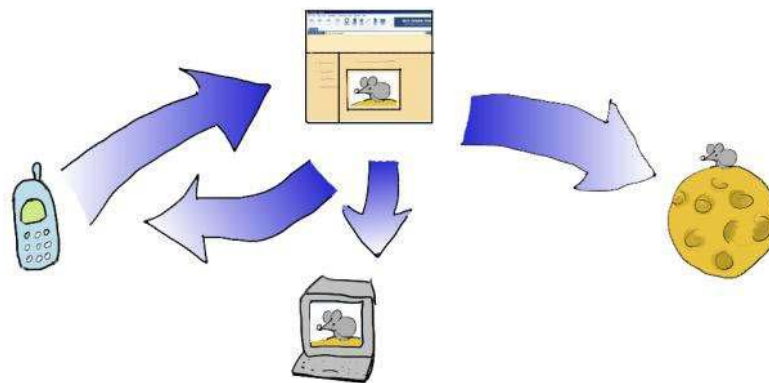


# Business Plan

## Version 4

### Mobile Phone Memory Storage/Backup

*where you are, there you have*



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# 1.0 Executive Summary

## THE DEMAND

Nowadays, possession of mobile phones has become for people nearly the same thing as possessing a watch. In the beginning of mobile phone era people used their mobile phones just for calling and receiving SMS, but people pointed out that a mobile phone can be used to do business: provides mobility to the users, maybe while traveling, having a small device with them. But a mobile phone is simply nothing without a SIM card and the information contained in it: if a mobile phone is lost or stolen, or the SIM card breaks, data that before was available, is lost forever. Contacts, messages, notes... And in case of a camera-phone, also pictures or videos. All is gone.

## THE IDEA

Our team has invented the solution to the problem introduced in the Demand part: the service we will provide a (semi)automatic backup of the memory of a mobile phone. Not just the phonebook's entries, but also other piece of information that a person wants to save from the possibility to lose it. We can offer to the customers that:

- their data is safe from any accident
- data can be retrieved when a local hardware failure occurs
- losing the SIM card or the mobile phone is no more a problem for retrieving data
- possibility to store data when needed will always be available

## BUSINESS MODEL

We are going to offer the service, at the beginning, to the small companies present in the country, and while we are growing enough big, we will have the possibility to offer the service at detail, meaning private people. The service will have different basis, depending on the type of customer:

- Companies
- Privates



Offering the service to the people in Finland, with a population of over 5.000.000, and a mobile phone density of 92%, it can be a great deal for our company.

| Size of personnel | Total   | Percentage |
|-------------------|---------|------------|
| 0-9               | 210.434 | 92,9%      |
| 10-49             | 13.237  | 5,8%       |
| 50-249            | 2.303   | 1,0%       |
| 250-499           | 310     | 0,1%       |
| 500-              | 259     | 0,1%       |

As we can see from the table, size of small companies (personnel size less than 10 people) is over 90% of the total companies present in Finland.

## SERVICE CATEGORIES

Our service is presented in two main categories: business-to-business and privates:

- Business-to-business basis (based on the agreement with companies), depending on the size of the company:
  - Small (up to 10 employees)
  - Medium (up to 100 employees)
  - Large (more than 500 employees ) 0,1% of total Finnish companies
  
- Service for private people:
  - daily backup basis
  - backup of single entry = pay-per-use basis

## OBJECTIVES

The main objective of this business is to provide users with high quality services of back-up and additional space while enhancing the reputation of our company as mobile phone's data back-up provider.



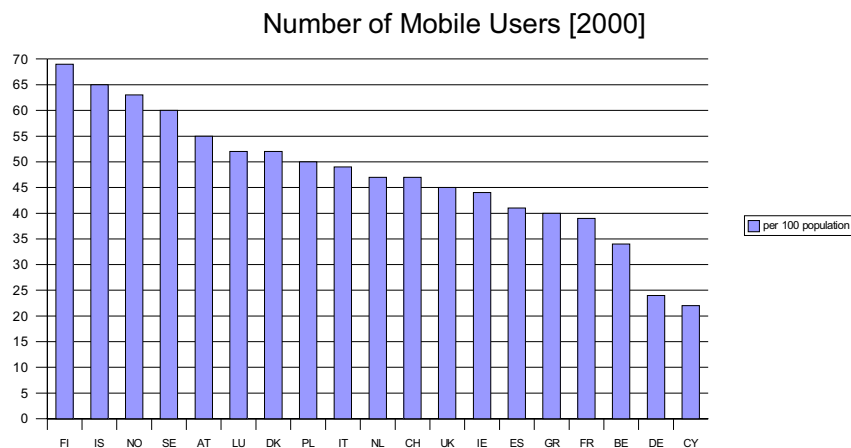
## 2.0 Situation Analysis

The service we will offer, will be centered on people that have on their mobile phones the Symbian OS or another Operating System that is compatible with the necessary software. For this reason, the market where we are situated will not be as large as possible, because of the pre-requirements needed to be able to use the service. In the technical part is explained why it is necessary an Operating System such Symbian.

In the beginning, we will be present on the Finnish environment, for several reasons; Finnish environment for using a mobile phone is one of the greatest in Europe, second only to bigger countries such as Italy.

### 2.1 Market Summary

Mobile phones' users are increasing every day. While in early 90s few millions were the mobile phones' users, nowadays the total users are more than one billion. Only in Finland and Italy, users are almost more than 90% of the total population. Our market will be centered on those mobile phones that have Symbian running on them, for the reason explained in the technical part of the business plan; because of the "limited" users, we should not expect to increase such greatly our sales. But, because new generation mobile phones are simply using the Operating System we need to offer the SIM backup / storage service, is simple to understand that every year the potential users will always increase.





### 2.1.1 Market Demographics

Nowadays, mobile phones that have greater capabilities of older mobile phones, are more and more common, such as camera-phones. Such revolution could help us since, what we need, is a (almost) last generation mobile phone device, because only the latest mobile phones can have an Operating System that can interact with the SIM card easily, giving us a possibility to use SIM cards' data as the possible user wants.

In 2003, over 6,67 million Symbian OS-based mobile phones were sold worldwide more than 15 million have been sold to date

As we can see, mobile phones with Symbian OS are numerically increasing every day, giving us the possibility to spread on the market, and b able to completely fulfill our project: provide a full backup/storage service for our customers.





### 2.1.2 Market Needs

Why people should have a backup service activated on their mobile phones? Several reasons can be enumerated. The most important reasons that put the customers to want such service could be that, previously:

- the customer lost the mobile phone
- the customer lost the SIM card
- the customer could not retrieve data from old SIM card

If the customers got involved in one or more of those reasons, it will be easy for them to seek for a backup service or to need necessarily soon or later. Primary reason why people buy services is because the services are somehow useful to the final users, and the users know what could fit their own needs.

### 2.1.3 Market Trends

Mobile phones did not become necessarily just a mere trend on the current market, because a mobile phone amplifies what a normal, fixed, phone cannot do: permit the people to talk wherever they are, send messages around the world, no matter the distance the messages have to travel.

Nowadays, technology permits to have on a mobile phone, pretty much more included "gadgets" that are available on it: those gadgets include as well as Java games, possibility to take pictures or videos through an external/internal camera, etcetera. People want those features came along with a mobile phone, and this is a fact: statistics on how many camera-phones are sold confirm this idea.



We can safely estimate that mobile phones with more features will be born in the next future mobile phones' generation: no less than a mobile phone, no less than a portable computer?

#### 2.1.4 Market Growth

Mobile phones' market is increasing its shares more and more every day. Since the birth of the old systems to the new ones, sales of mobile phones increased by a 1.000 factor. Mobile devices will still sell at high rhythms for the next future.

Our company has invested time and resources in market researches to be able to understand what chances we have to bring the potential customer to effectively use our service.

Our most important customers, or where we will concentrate in the beginning, are the small companies that are running by less than 10 people: it will be the 93% of the total companies on the Finnish market. Including also companies with less than 50 employees, we will reach a potential market of 98% of all the Finnish companies.

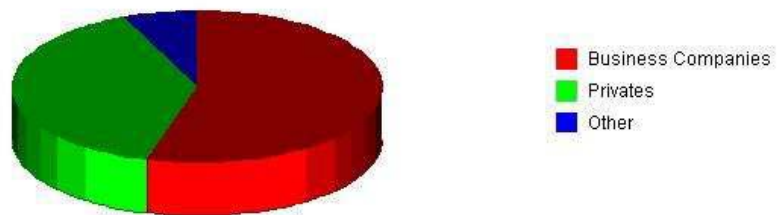
After breaking into those companies, and having a stable revenue, we will continue our expansion, by advertising, and reach mobile phone's users as many as we can.



Following table will summarize at great lines the evolution of the market we will run:

| Market Analysis    |        |      |      |      |       |       |        |
|--------------------|--------|------|------|------|-------|-------|--------|
| Potential Customer | Growth | 2005 | 2006 | 2007 | 2008  | 2009  | CAGR   |
| Business Companies | 50,00% | 2,5  | 3,75 | 5,63 | 8,44  | 12,66 | 50,00% |
| Privates           | 30,00% | 1,8  | 2,34 | 3,04 | 3,96  | 5,14  | 30,01% |
| Other              | 10,00% | 300  | 330  | 363  | 399   | 439   | 9,99%  |
| Total              | 41,11% | 4,6  | 6,42 | 9,03 | 12,79 | 18,24 | 41,11% |

Market Analysis (Pie)



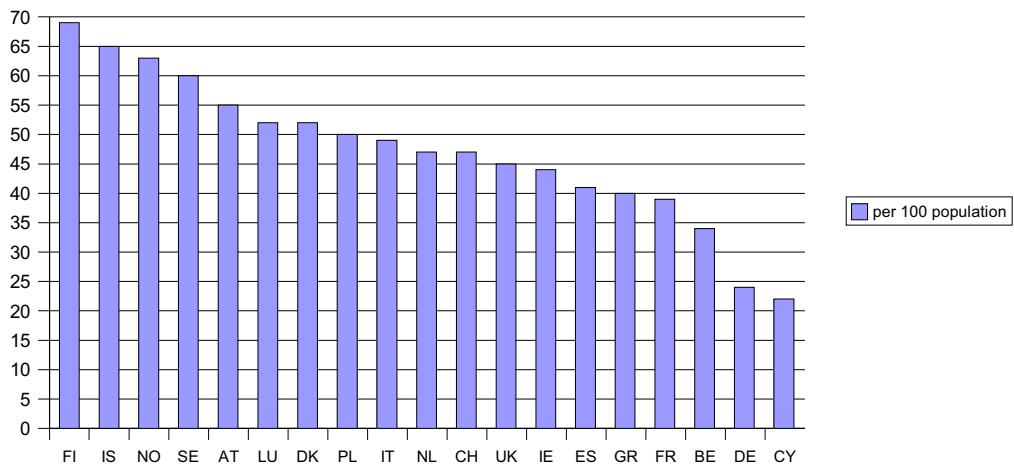
Finland is one of the highest in the Europe for using mobile phones. Over 80 percent of the population and near 90 percent of youth use mobile, therefore this business will be based on a large target group because most of the people are interested in having a backup of their SIM card.



The following table shows in detail how many people have used a mobile phone, possess a mobile phone or has sent a text message:

| Men                     | 15-19 yrs | 20-29 yrs | 30-39 yrs | 40-49 yrs | 50-59 yrs | 60+ yrs | Total |
|-------------------------|-----------|-----------|-----------|-----------|-----------|---------|-------|
| Have Used Mobile Phones | 85        | 93        | 90        | 79        | 78        | 54      | 84    |
| Possess Mobile Phone    | 77        | 81        | 81        | 72        | 68        | 39      | 73    |
| Sent Text Messages      | 79        | 84        | 73        | 50        | 53        | 18      | 58    |
| Women                   | 15-19 yrs | 20-29 yrs | 30-39 yrs | 40-49 yrs | 50-59 yrs | 60+ yrs | Total |
| Have Used Mobile Phones | 85        | 94        | 86        | 75        | 62        | 36      | 76    |
| Possess Mobile Phone    | 77        | 85        | 72        | 62        | 50        | 19      | 61    |
| Sent Text Messages      | 80        | 87        | 69        | 56        | 28        | 8       | 51    |

Number of Mobile Users [2000]





## 2.2 SWOT Analysis

### 2.2.1 Strengths

Offering a competitive product will increase our chances to be chosen by potential customers, that are seeking for the best service, at the best price. This can be achieved easily, by offering to the customers a great service, with customer help desk: primarily, a company needs to support their customers, so that they can be satisfied, and continue to use the subscribed service. An easy service also helps the company to have more customers, because more difficult is to use a product, more difficulties will encounter the service to enter people's hearts.

Our service is offering what our potential competitors are offering: backup of a SIM card. But, not necessarily a mere backup of just the phonebook's entries can fully help the customers in order to protect them from any accident occurred to their SIM cards. We are offering a complete backup for the SIM card, but not only: the customers can freely add on the available space what they need to keep, upload and download from anywhere they are (old messages, phonebooks, pictures..) and have the security to have a safe place where to put their data.

### 2.2.2 Weaknesses

Our service will have few weaknesses, that could be harmful for the company; for a new service is always a trouble getting people know its existence. Advertising could get really expensive if we base our campaign if we are using TV, radio or magazines' channels.

Because of this, we need to think carefully on what we could spend the available money on: is it better TV or magazines? Should we concentrate on Internet advertising only? Should we need a partner to help us advertising the service for a compensation?



Dependency of only Symbian OS could be fatal if we admit that is an unknown branch where to make business on. Lack of experience can be fatal for a emerging company.

### 2.2.3 Opportunities

One of prime opportunities of our business is that someday every mobile phone will have Symbian operating system on it, so every mobile phone user could be our potential client. Also there is possibility that mobile phone technology would go so far that every phone would include some function which would make uploading the data from the phone possible. Services could be developed in the future; for example by co-operating with educational institutes like Polytechnics, Universities we can follow technology and got new ideas for our business. When we will be on steady ground here in Finland, we can consider expanding abroad.

### 2.2.4 Threats

Our main threats is technology because there could be invented some function which will make possible uploading the information from a mobile phone into a computer, for example. Competition is one of areas to be handled with care because it can create pricing wars between competitors.

## 2.3 Competition

Several companies are offering somehow a backup of a SIM card. We can notice that all of them are offering a >fixed< amount of space for storage phonebook' entries, and that could not fit customers' needs, for example. Several devices also, can be used for few hundred times before replacement.

Some are more expensive, some are cheaper, but all are concentrate their service on backing up the contents of the phonebook.



A strategy when starting a new business, is researches on current market: knowing the concurrence is where a good business starts. A company needs to know exactly who are all possible competitors that can be a problem in the future, if not considered. A company needs to specifically define the business is in, a critical point that can make the difference from achieving a success, and miserably fail.

many experts say railroads suffered badly in the 1930-1960 period because they thought they were in the business of trains when they were really in the business of transporting goods and people; as a result, competition from highway transportation was brutal  
The US railroad industry has never recovered!

Many companies around the world are offering some kind of services that provide a backup copy of the phonebook's entries of a SIM card. Many are cheaper, other are expensive, but all together are a point common: using external devices (such as a mobile phone's recharger) it will **not** give to the user the security to have the backup of the SIM card whenever both the mobile phone AND the device are stolen. It may happens and it will not be a pleasure, in the case that the used SIM card was containing confidential numbers or information.

The advantage of our service in respect to the possible competitors, are many:

- we provide a backup copy that does NOT depend on any devices that can be stolen or damaged as well as the SIM card or the mobile phone itself
- our service provides at any time a backup copy of the SIM card and wherever the user is at the moment: the user does not need to have any device to accomplish the backup, at any time, in any place
- the service can be used as many times as needed, while in case of some device, the number can be small compared to the customers' needs



## 2.4 Services

The following table will show what customers can chose, based on their needs:

| Product Available                    | Basic | Pro | Business | Corporate |
|--------------------------------------|-------|-----|----------|-----------|
| Free Subscription                    | ✓     | ✓   | ✓        | ✓         |
| Updating Space Available             | ✓     | ✓   | ✓        | ✓         |
| Accessing account via web            |       | ✓   | ✓        | ✓         |
| No Uploding Limitations              |       |     | ✓        | ✓         |
| Advanced Features                    |       |     |          | ✓         |
| No Limits on Number of SIM to Manage |       |     |          | ✓         |

The Basic is intended for personal use, with one SIM card managed per account. If number of SIM cards is greater, the customer needs to buy pro, Business or Corporate License, that are intended to total SIM cards.

| Number of Employees | Note      |
|---------------------|-----------|
| 2-49                | Pro       |
| 50-249              | Business  |
| 250-                | Corporate |

## 2.5 Other Industry Players

The biggest industry players are mobile phone manufacturers such as Nokia, Samsung, Motorola etc. Success of our company depends on those manufactures' attitude to Symbian OS.

Minor role play service operators which are selling mobile phones to the end users.





## 3.0 Marketing Strategy

When thinking about our business' strategy we can make use of the 4P concept.

**Price:** we should make sure that our prices will be competitive compared with competitors' prices.

**Product:** We are offering new (unique) service of mobile phone's back-up and additional memory space.

**Promotion:** by promotion we mean first advertisement, mainly Internet advertisements which will include advertisement on our web-site and our links on web-sites which are selling products online, for example ebay. Also, because our targeted customer group are business people we will approach them in places they are used to visit frequently, for example banks, ticket offices in airports, etcetera. It means that the services will be offered to them every time businessmen are visiting banks or buying flight ticket etcetera. Putting advertisements in professional magazines could bring positive results for the service. Second point of promotion is personal sales; it means that we are going to have sales team which will execute visits to companies, persons which can be our potential customers. Then there will be discount in percentage for example for those who can get certain amount of customers to us. Also we can visit professional fairs in order to approach potential customers there.

**Place:** our services can be ordered from our web site, from mobile phone; also we can take advantage from co-operation with mobile phone connection providers or mobile phone shop, they will in a way promote our service for a little money or we can rent a table or corner from the shop in order to be close to people who are making decision to buy a new mobile phone. This way we can put those people who just bought a new mobile phone to order our service as well.



## 3.1 Plans

Critical factors for our business are several:

- Expanding of Symbian operating system  
Success of our business depends in a way of how Symbian operating system will be developing because in order to exist or perform downloading we need to have mobile phones with Symbian.
- Technical limitations of Symbian OS  
We need to know what are the possible technical limitation such operating system has, as well as what are possibilities.
- Knowledge of competition and competitors  
Old competitors as well as the new ones that probably will share the market with us (here very important is the competitive advantage).
- Future expenses  
Enlarging our servers, sales team, marketing, expanding expenses, etcetera.
- Initial finance to start with could be critical factor for business  
With a initial budget we can have less trouble to start a small company and offer our service. In the beginning we need to have a small personnel such as programmers, marketing personnel and possibly web designers as well. Having a place where people can interact with our personnel.
- Marketing  
Marketing should be powerful and efficient in order to make unknown service and company known.



### Defining the steps on our way in achieving goals

- We need to follow the expanding of Symbian OS here in Finland and abroad, need to know figures (at the moment in Finland there are around 50.000 Symbian OS units)
- getting knowledge of Symbian OS, programming skills
- studying our competitors, their strategies, as well as their sales' statistics; in this way we can offer more flexible prices
- taking wise care of expenses
- having plan about initial finance
- marketing aspect should be thought very carefully, there is needed some help from marketing specialists since the service is unknown and also the company, i.e. we need to carry out research about what is the best way to reach potential customers

### The following list shows the tasks that have to be done in each phase

- gathering information about Symbian OS i.e. statistics, researches, forecasts for some period of time
- studying the results from previous step
- studying how Symbian OS works
- studying situation on the market
- studying our competitors' products, prices and strategies
- make an estimation of initial and future expenses
- thinking about possible places to get loans
- thinking carefully the most efficient marketing strategy



### 3.1.1 Mission

To sustain a leadership in developing and launching new, high quality products and services addressed to the end user providing high customer satisfaction.

### 3.1.2 Vision

Our task is to facilitate effective backup, irrespective of geography, time, distance or complexity.

### 3.1.3 Philosophy and Values

Customer is a central part of our business => We are a customer driven company: our success depends on our customers => Individual approach to the customers.

The companies we will deal with, must have a good reputation.

Customer satisfaction is a MUST!

Quality, value and excellence of services is the cornerstone of our operation.

We have a commitment to a continuous improvement of our products and services to match today's demanding needs.

We provide immediate, continuing and professional after sales support to all customers regardless of their location.

We support a highly organized, yet flexible operating structure. We are dedicated to an efficient use of planning and decision making, systems and procedures in combination with firm management control, personal accountability and commitment.

#### Core competencies

We are using the knowledge of technology primarily, but also marketing and business studies. We will be ahead of our competitors if we make advantage of know-how. By following the situation on the market, we will know who our competitors are and what kind of products they have => based on that information, we can develop new services/products.



### 3.1.4 Competitive advantage

By flexible pricing policy (depending on the customer group) we will make sure that our customers will have our service cheaper.

## 3.2 Marketing Objectives

- maximize market share at first by means of special offers, different agreements and so on
- when we will have enough customers, we will maximize our profits

Mobile Phone Memory Storage / Backup service will position itself as the premier, discount, online advertising and advertising services hub for small businesses. Using leading-edge web technology, MMBS will initially offer customized products and services.

The second marketing objectives is revenue growth. The key drivers of revenue are the number of customers, the number of visitors, the number of information, transaction value and the conversion rate. Accordingly, MMBS will focus on attracting mobile users, providing high-quality service and converting visitors to buyers.

## 3.3 Financial Objectives

Based on the detailed financial analysis presented in the Appendices, MMBS is seeking for 40.000€ in equity capital to start with. In return for this investment, we will be able to establish our company, being able to provide the software. The capital raised in this first round of equity financing will be used as explained in the appendices “expenses table”.



### 3.4 Target Markets

For us it is important targeting properly our customers, so that we can offer services related to their privileges. We decided to target in the beginning the smaller Finnish companies in order to have a good starting point where to have customers, and also because this particular target group (considering also that is composed by small amount of people) is over 90% of the total Finnish companies.

A particularity for the target groups is that is necessary to specify to WHO you want to sell something or offer a service: you simply cannot say that with a service you will target everyone. You need to give limits on that, because it is necessary also to avoid possible future problems, such as the advertising that need to fit that "everyone".

### 3.5 Positioning

Our coming service depends pretty much on mobile phone market and its development. Next follows information we gathered concerning mobile phone market of Finland.

Finland has been identified as a priority market for the communications sector. Finland's mobile phone market is one of the most developed in the world. There have been more mobile phone subscriptions than there are for fixed network subscriptions since 1998. The major player in the Finnish ICT field is the mobile phone manufacturer NOKIA and some 3000 companies in the Nokia cluster.

Finland was also one of the first countries in Europe to fully liberalize the telecommunication infrastructure. This has successfully promoted competition between different operators and the telephone charges are among the lowest in Europe.

Mobile phone penetration is very high in Finland: 94% of all Finns could be reached via mobile phone in 2003. The client base of all service operators is 4.7 million. The Telecoms operator market value in terms of turnover amounted to 4,6 billion Euro in 2003.



#### Characteristics of Market:

- Fully liberalized Telecoms market since 1994
- Digitalization of Telecoms networks completed in 1996
- Major driving force Nokia and the Nokia cluster
- ICT clusters located in the Helsinki Metropolitan area, Oulu, Turku, Tampere, Jyväskylä and Lappeenranta
- More personal mobile phones per capita in Finland than in any other country

Last year, 86% of the male population and 78% of the female population aged over ten in Finland had a mobile phone. Even one in two among the population aged 70 to 74 had a mobile phone in their own, private use.

- Mobile telephone penetration 93% in 2003, 4.7 million mobile subscribers
- Customer pays full price of the mobile; operators are not allowed to link sale of the mobile to subscription, the Finnish Ministry of Transport and Communications is however looking into the needs of revising this stipulation
- 40% of households have abandoned fixed lines and rely on mobiles
- Competitive market, three country-wide full service operators: Telia-Sonera, Elisa Communications and Finnet. Of these, Telia-Sonera is the leader in mobile telecommunications
- Operators categorized into network and service operators with network operators obliged to lease free capacity to service providers, major companies operate as both
- Number portability has brought in a number of new service operators since July 2003

Of course we can say that put potential customers are every person in Finland that posses a mobile phone: but we need to take care several parts such as that not all the mobile phone are suitable to guarantee the service we are offering.



When speaking about market size, we take into account those mobile phone users who already have Symbian operating system in their mobile phones. But then when looking at forecast of Symbian OS development we strongly believe that the number of mobile phones having Symbian, as well as number of company's potential customers, will constantly have upward movement. Only the market for camera-phones has increased in *one year* by 500%.

The biggest industry players are mobile phone manufacturers such as Nokia, Samsung, Motorola etc. Success of our company depends on those manufactures' attitude to Symbian OS.

Minor role play service operators which are selling mobile phones to the end users.

### 3.6 Strategies





## 3.7 Marketing Mix

### 3.7.1 Product Marketing

To promote our service we will use common advertising channels, such as television, radio, magazines and through Internet. In this way many people can see what kind of service we are offering, and more people that would need it, would know how to contact us in order to purchase the service.

### 3.7.2 Price

Our service is based overall (at least in the beginning) on the smallest Finnish companies (90% of the total main group). We are offering not only a monthly flat that our customers can use to save a lot of money doing all the operations they want, but also the possibility for a pay-per-use service, that customers can use if they do not have great amount of operation to accomplish.

The charges for the service are as follows:

|                     |           |
|---------------------|-----------|
| Registration        | Free      |
| Yearly Subscription | 2,99 €    |
| Uploading data      |           |
| Single entry        | 0,05 €    |
| Storage of Memory   |           |
| Less than 2MB       | FREE      |
| Over 2MB            | 1 €       |
| Monthly Backup      | 4,99 €    |
| Downloading data    |           |
| Single Entry        | 0,05 €    |
| Or Single entry     | 0,05 €/KB |
| Full Memory         | 4,99 €    |



|                 |  |           |
|-----------------|--|-----------|
| Web Site Access |  |           |
| Access Own Data |  | 0,05 €    |
| Manage Data     |  | 0,5 €     |
| Web Site Space  |  |           |
| Up to 512KB     |  | FREE      |
| 512-1024KB      |  | 5 €/month |
| over 1024       |  | to decide |

For the monthly flat, the price can oscillate between 50 and 100 €, depending on several factors, such as the amount of mobile phones needed to manage, operations wanted (easy manage through web also), etcetera.

### 3.7.3 Promotion

To promote our service, we start with having a hosted web site. Hosting price comprehend also a initial advertising through main host channels, upgradeable if needed more. Related to the impressions, this is quite cheap, so we can afford it immediately in the beginning.

It is important, though, that advertising will increase if we want that more people can see what we are offering and how to contact us.

TV and radio advertising is not suggested, at least not in the beginning, for the high price rate those media offer: small companies cannot afford those price. Big companies only can afford to buy space, and it can be very small.

Places where people can go to purchase the service are several. Here are some example:

- Our web site
- Banks
- Airports / Tickets offices
- Kiosks



Our web site would look like this:



Banks



Airports/Tickets offices



Kiosks





### 3.8 Market Research

In order to enter properly the market, we need to research for any possible detail that can help us: everything can be useful.

Competitors, current mobile users, increasing sales, statistics: all those and more are considered in order to obtain a, clear, general view that can help us to actively promote our service, advertise it, see how many customers can be interested in the service, and seek for more customers later on.

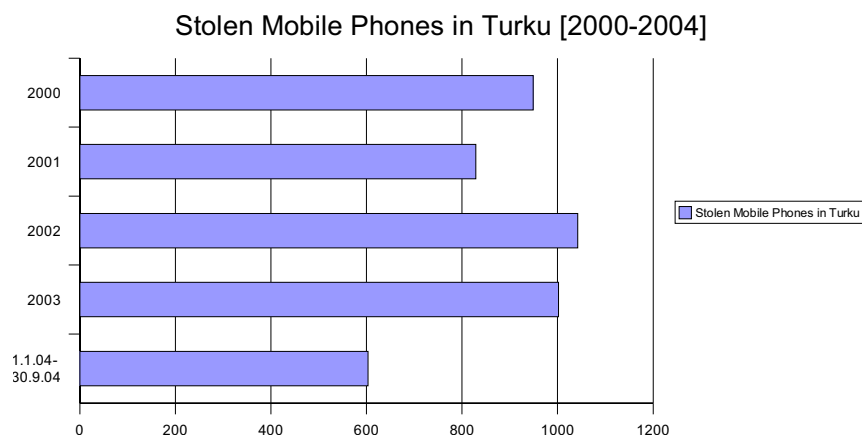
Analyzing is very important for a company, especially if not yet born, in order to minimize all possible risk related to starting a new business.

#### Market Research – Finland

There are two questions that we have been trying to get an answers to:

- Numbers of stolen mobile phones
- Numbers of SIM card with problems i.e. broken, not working condition etc

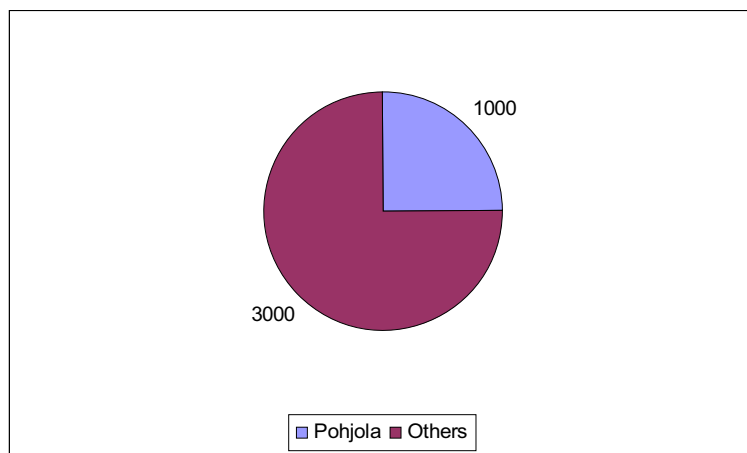
At the police station, the people we talk with, guessed that the number of stolen mobile phone number is around 4.000 units in all Finland, excluding those units which were lost. The information given is not accurate because the police doesn't keeps a database on stolen goods. We strongly believe mobile phone thefts happen much more usually. Other data we got from the police station, was related to the stolen mobile phones in the area of Turku:





People from insurance company Pohjola gave information that they compensate about 1000 mobile phone units each year in relation with "home insurance" or insurance of luggage. Market share of Pohjola is 24% from this we can decide that generally insurance companies compensate 4.000 units.

Also this figure is not realistic because not everybody has mobile phone insurance and some people will not get compensation because some phone's value is less than owners' "own responsibility".



Second question was asked from people working in mobile phone shops and its accessories. They said that it's common issue for people to go and ask for a new SIM card because of several factor (stolen, lost, broken etc), and that the number could easily reach 1/1,5 million units each year.

### Market Research – Abroad

The facts in UK are more precise. Based on estimates of UK s leading mobile phone shop around 15.000 mobile phones are stolen every month.

Figure we got are quite inaccurate and we think that in reality they are much bigger than is presented in this document.



## 4.0 Financial

In order to be able to start a company, we need an initial capital. Various organizations provide help for gaining such money. Those companies will do mediation between you and the banks. If those companies consider that your society truly worth, they will intercede for you in order to let you have a loan, that at the moment is around 35.000€.

To fulfill the requirements to be able to get a loan, is important to:

- have a good background
- know the environment in which you will work in
- have a outstanding marketing plan
- being able to have a good amount of customers

The requirements are depending on the type your company will be. Not only for this, so, it is important what company you want to create and what the company offers.

### 4.1 Break-even Analysis

By simulating expenses, type of services and users during a period of five years, we are able to determinate that the break even point situation will be reached in the first half of the first year. A total of 14.000 customers has been considered into calculations; considering the big amount of expenses we have to afford, and the small amount of users (compared to the potential customers), we could get a always positive profit already after the second year. Bigger expenses in our cases are the salaries (as a group of five people we all consider ourself as integral part of our future company) and the possible channels where to advertise our service.



Marketing is expensive, as we could see from the several sources we analyze, such as national magazines and broadcast transmissions. Cheapest form of advertising is through Internet, as we already added that in the hosting service.

## 4.2 Sales Forecast

In the attached table "expenses" we realize a full five-years prevision sales as well. We calculate that we can reach somehow positive profits already from first year. As small company, also, we could reach greater income with better marketing, reaching in that way more people that can use our service. At the end, forecasting around fourteen thousand customers, we will have thirty thousand euro income, total.

### 4.2.1 Sales by Small Companies

Our main target group will be the small companies, that are more than 90% of all Finnish companies. By reaching this group, we will have many customers, with great potentiality.

### 4.2.2 Sales by Bigger Companies

After breaking into small companies' group, we can start to think how we can deal with bigger companies, companies that have more that 10 people working for them. Biggest companies in Finland are just 0,1% of the total, but they have more than 500 employees.



### 4.2.3 Sales by Privates

With good marketing, if possible, we can further reach more and more customers. Non only for companies, but our service will be available for everyone that need it; with small changes, we can offer the same base-service such as the backup storage space, that people can use whely they want, or web-based management for all data inserted on our servers.

## 4.3 Expense Forecast

Such small company as our, still has many expenses to take into consideration.

Since we are a group of five people, and at the moment we think that everyone of us can enter as worker in the company, we need to calculate the salaries needed for ourselves. Because of the small size of the company, the expenses we need to afford with time, salaries have been calculated in 1500€/month for each of us. A multiplicative factor has been added to "simulate" taxes that need to be payed for workers' insurance and other related expenses. A further two people that will take place as customer care are needed.

Not related as workers for the company, are the programmers that we will employee in order to have after as brief as possible period of time (calculated in a couple of months). An average of 30€/hour for the salary has been calculated, because normal prices for professional can reach different amount of money, starting from 10€, and sometimes can be over 50€, depending on the tasks assigned.

A place where establish our contact point in order for the people to personally contact us, is found through a rent agency, at the price of 320€/month. The place is situated in the center of Turku. Total size for the office will be 36m<sup>2</sup>.





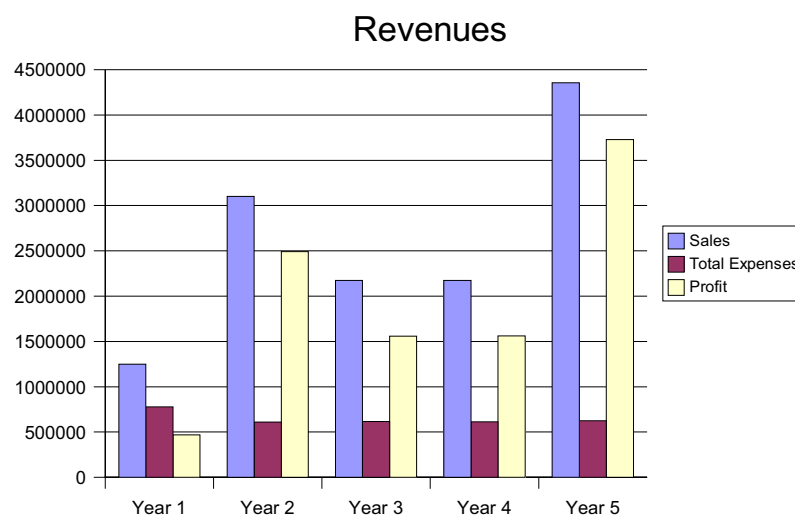
A further price for furniture is needed, if not furnished, is considered into expenses projections: 3.500€ for the initial month, and a further 1.000€ for the next month. Calculated in the prices are: desks, chairs, shelves and other material.

### 4.3.1 Expense by Creating the program

For creating the program, we need of course programmers.

At the moment, an average of 30€/hour is the price for a programmer. Because we calculate that we can obtain the full program after 2 months, assuming we can hire two programmers at that price, the final price will be around 20.000€. Testing for the program has been calculated in the price, because we need to have a working program, with the smallest amount of program's errors (*bugs*) in it.

In the expenses we calculate the amount of money we probably need to have a final program that is stable, working on the devices we targeted and possibly be without any problems (*bugs*). Costs for programming such application is quite small related to the profit we will generate in a five-years prevision, as we can see from the graph:





### 4.3.2 Expense by Running the Service

The service will be hosted by an external company that offer web farming. An unlimited amount of web space, unlimited amount of emails (needed when we can give a free email to our customers), unlimited bandwidth usage, plus advertising through internal channels of that company, has been calculated in 1.200€ per year, including taxes.

Here what is offered within the hosting service:

[prices in EURO]

|   |                          |
|---|--------------------------|
| Registering domain                          | 20,66/Year               |
| (Comprehending domain + hosting on windows) |                          |
| Unlimited emails                            | 12,91/Year               |
| Professional statistics for the web site    | 12,91/Year               |
| Add-on (Antivirus / Antispam)               | 2,00/Year                |
| Database MySQL                              | 7,00/Year                |
| Keyposition Ultra ()                        | 500,00/year              |
| ADS Service                                 | 32,50/25.000 Impressions |
| Subtotal                                    | 587,98€                  |
|   | 705,58€ (Taxes Included) |

Plus, if we want the possibility to contact urgently customers by SMS:

|            |                    |
|------------|--------------------|
| SMS Target | 400,00/10.000 SMSs |
|------------|--------------------|

subtotal

---

|       |                           |
|-------|---------------------------|
| TOTAL | 987,98€                   |
|       | 1185,58€ (Taxes Included) |



The database's price will probably increase with time, because having more customers means that we need to have space to store into a database all information needed. Normal storage will take place on hosted web site.

### 4.3.3 Expense by Advertising

At the beginning, we decided not to take expensive ways to advertise our service, such as television or radio media. Magazines were considered as well, but they are expensive for our initial budget to afford to have them, too.

With the hosting site, we have two ways to advertise our service:

Keyposition Ultra

ADS Service

Both are going to be used through the web sites that the hosting company we chose has on its control. Few thousands web sites with thousands of impressions can be useful for our starting strategy marketing. Also if those impressions we have in control make only few hundreds visits, the price for that is very small. We can afford to buy more and more if necessary to increase amount of people looking our website.

## 4.4 Linking Expenses to Strategy and Tactics

As we said in previous chapters, it is pretty hard to define how much money we need to invest in advertising, in order to maximize future customers from people being reached by our advertises.

How much money should we spend on this particular way? Is pretty hard say that having some broadcast spots showing people what we are doing, what we are offering and how to subscribe the service, is never safe to think that everyone will see that.



Only if we already got a big capital to invest and years of experience as our background, we could think to use television, radio and magazine in such a way that people will continuously see / hear the spots.

## 5.0 Risk Analysis

Risks related to a company are several, and we have to take care of them, making several strategies in case a problem happens. One of the major problem in Europe, is that we cannot offer any service, before see if that particular service is against the law, plus, plus terms of privacy policies are important when offering a service: privacy of a customer is taken in great consideration, and we will not do anything that could damage our users.

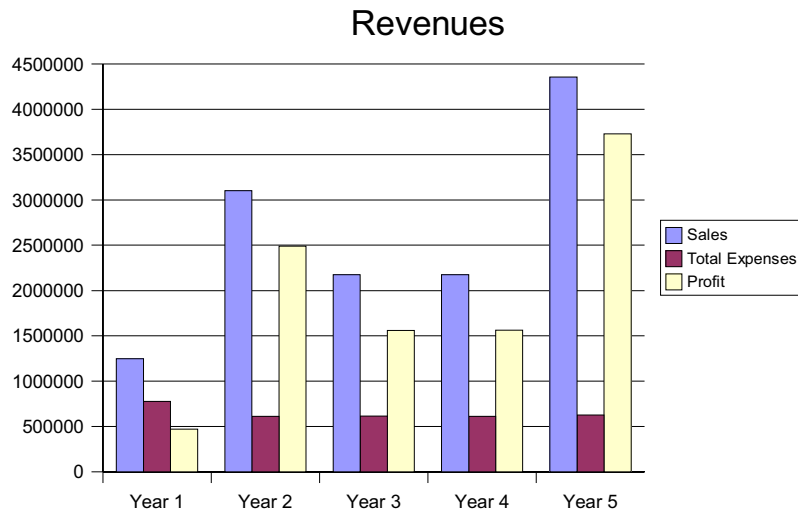
Another problem that could affect a company is the patenting of *intellectual properties*. If we are offering a service that break one or more patents, we will be suited by the respective owners, and as starting company we cannot afford to be suited for such reason.

Research in the local country and Europe seeking to understand what is legal and what not, is very important for our company, to avoid any possible problems that could slow us down, or, worst, make us go into a failure.

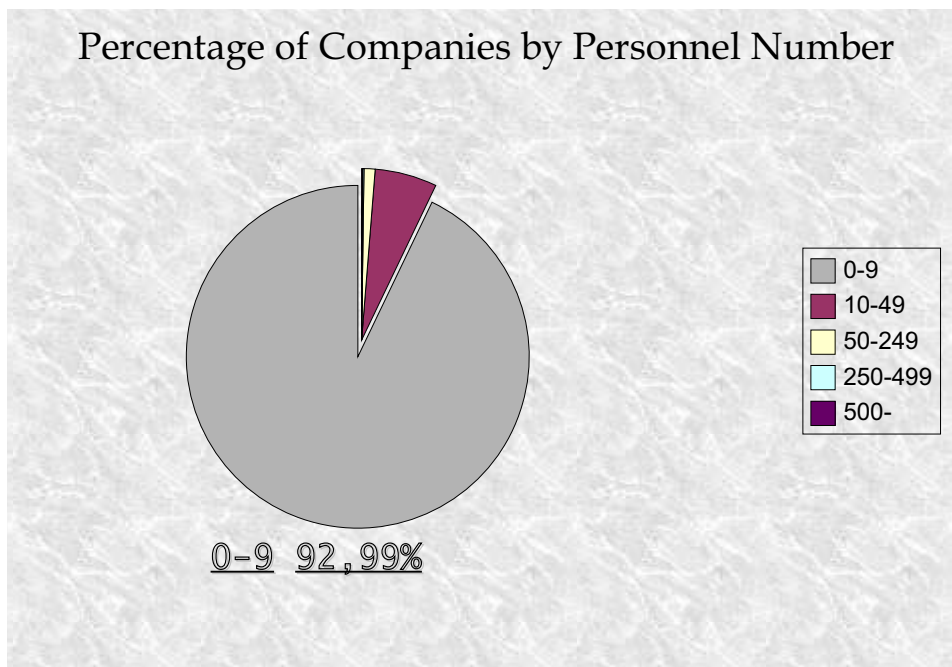


## 6.0 Appendices

Appendix Table: Revenues



Percentage of Companies by Personnel Number





## Appendix: Break-even point

The break-even point (meaning the point where the curve of the expenses/profit curve will reach the zero point) will be on the third month.

After few months we should be able to pay back the loan and start to use the profits to further develop our resources.



## Technical Part

Conventional SIM card memory is 16KB. Nowadays exist SIM cards with capacity more than doubled: 32, 64, 128 KB. Because of the deficiency of available space available (the memory of the SIM card cannot be increased without replacing to a new one), our service meets the need to have quickly a storage place where saving old data.

Also, the problem of upgraded SIM card, is that the phonebook's entries will be the same (depending on the operator), but is used by the operators that can implement more advanced features on the SIM card.

If the user needs to have lots of contacts, upgrading SIM card would not be enough. For this reason the service we would provide, it will help in keeping old contacts on own space in our servers, where it will be easy to download them again.

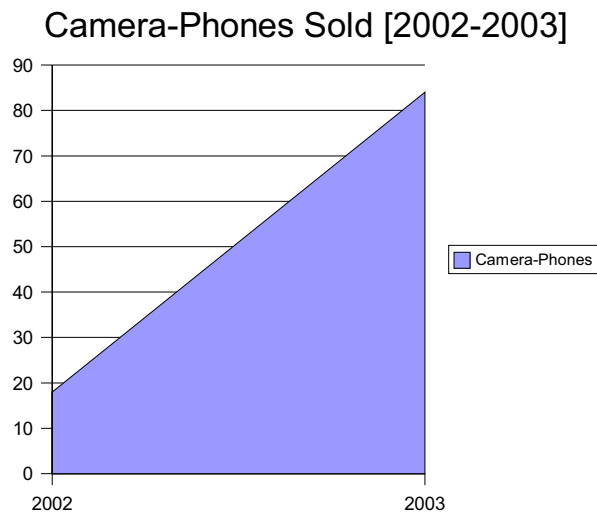
Using the service for the user will be inexpensive, especially in case of a massive usage of the device, concurring in helping the user to have a place where data uploaded will always be available.

Problems related to SIM cards is that they can not only be stolen, but they can be damaged as well. If pins on the SIM cards get oxidated, exposing the SIM card to the impossibility to read it again.



In all this possible scenarios our service is present to help the final users, providing several solutions depending on the requirements of the customers. Also, because increasing sales for camera-phones has reached nearly 500%, as shown in the graph below:

Camera-Phones Sold [2002-2003]



Increasing amount of people that are using mobile phones to take pictures or videos, it will increase in the same time the demanding of bigger capacity of storage available in a mobile phones. Also, camera-phones are able to take picture at a better and better quality for most of the new mobile phones available: better the quality, bigger space to save a file is needed.





## Technical Limitations

Because we chose Symbian OS as our environment that our customers need to have, it will limit the possible target groups we can have.

But why we chose Symbian? Symbian OS is at a more advanced level than the previous Operating Systems available on older mobile phones. Symbian OS implements interconnectivity not only between a server and a client, but also the possibility of full managing the flash memory present on SIM cards (where data such as phonebook's entries and SMSs are stored).

The Java Environment System available on mobile phones is pretty different from the Java that is being used in all-days life such as designing applications for websites. Java on mobile phones is called J2ME (*Java 2 Platform, Micro Edition*) and has different built in instruction that can be run on mobile devices, and for this reason it will not be possible to use at full capability the memory of the mobile phones. Online documentations provide a rough and valid background on the reason why Java is not as powerful as programming in Symbian OS environment is.

MIDP (*Mobile Information Device Profile*) is the Java runtime environment available for a mobile devices, such as mobile phones or PDAs. To develop applications in Java for mobile devices we need to use MIDP specifications. Those specifications, at the moment, do not include instructions that can be suitable for what we need: read and write the flash memory of a mobile phone. The file system of the mobile phone is somehow closed to this ambient.

As partial confirm, with Java we can not write files on the mobile phones' file system nor information on the SIM card directly. It is possible, in certain ways, to wait for the next version of the development tool, MIDP 2.0, but we do not know in advances what instructions will be enclosed.



Another problem related to the use of Java is that, unfortunately, is covered by international patents. Sun has some problem related to the intellectual property related to the Java environment: Sun Microsystems infringed on several patents that belong to Eastman Kodak Co. with the implementation of protected technologies. Nowadays, a problem for the companies that is growing bigger and bigger is that software is patented to protect intellectual properties of the owners. Before offering the service, a deep search for the possible patents we could break is necessary: as starting company we cannot afford to be suited for such reason.

As we can see Symbian OS is what we need (or actually what the customer need, in order to be able to use the service).

Symbian OS can manage reading and writing data on the internal memory on a SIM card.



## Programming Languages

Programmers are needed in order to create the software that the final users will use on their mobile phones. And for the creation of a successfully working program, we need to know at least one of the programming languages that can be used on Symbian OS, but not all of them are suitable for our service.

Because of the nature of the service we will offer to the customers, we need to be able to *interact through sockets*, offer *interconnectivity* with our service and to it. We need to *easily transfer data* from the users' mobile phones to the “space” offered them, and viceversa: the users must also be able to *access the uploaded data* whenever they want and wherever they are.

We can create easily enhanced functions available for a mobile phone using Symbian as operating system, because of its portability. Design application for a Symbian OS device can be difficult to handle, since a programmer need not only to know pretty well a programming language chose to made an application, but also, in our case, to handle the most difficult part located in the programming. *Internet access through a program* can be easy make for a good programmer, but has to realize the fact that the application need to run on a small device and not a Personal Computer, the application *must be user-friendly* and light to run on the system: an application can easily encounter the ostracism of the users if the application is very hard to run, is difficult to use and does not work as the users .



## Management Team

- Management
- Marketing
- Programming
- Web Master
- Public Relations

These are the most important assignments that a company needs to start with; when the company grows big enough, it will become necessary to expand as well also the employment, by adding other occupations.

### Management

As said in the previous paragraph, a company needs a leader that will conduct all the personnel under his/her command. It is necessary for the leader to have strong as well as good characteristic. A good leader is doing what is necessary to achieve excellence, integrity and values in order to expand the company under his/her command.

### Marketing

A good marketing strategy can make the different from a winning company to a failure: without marketing to make people know a company it will be very difficult for the company to expand its edges, get bigger, have a better revenue. /People/ is the power that a company have to search in accord to increase its possibilities, take a privileged place into the expanding markets, and leading through the changing times. Marketing need to have strong effort and capabilities, because a small company will greatly be helped by having a good marketing manager.



### Programming

In the company we will have to start in accord to offer to the public our services, it is fundamental to have a programmer (or more, if necessary) to not only create a good service (in this case the software needed to the customers to use the service itself), but to expand the possibilities of the program: nowadays, the public demand qualitatively more and more accurate, good-looking, user friendly programs. If a program is hard to use, or not possibly immediate, it will be difficult for the company to sell an appreciably amount of services.

The programmers necessitate to be skilled, ready to work hard, and up-to-date in matter of tools needed to create and/or upgrade the current service.

### Web Master

Because of the nature of the service, it will become necessary to our company to have an own web site. Our future customers will start to use the service online, and a web site that is heavy to load is not that good. A good site need to load fast, be user friendly (immediate to understand where to go, what you can do, etcetera), and have a great range (our service will not meant for people using just a defined product in order to use our service).

A web site that is validated is adding prestige to the company and the people that are running it: it is a good point to create greatly supported and compatible web site, so that any possible user cannot be simply excluded.

### Public Relations

Final part that a company must take great care of, are the customers: if a company does not have customers, it will disappear. A company cannot exist without customers, because no customers means no revenue at all. The success of a company depends on the customers, and their satisfaction is a must: happy customers will think to continue dealing with our company if we do not intimidate them, but listen to them, to their



needs, what they want and what they services they would like to have. Customers Office is a main deal to have within a company.

#### Management Team

Our starting company will concentrate at the beginning on hard work and respect of every member (internal attrition can disrupt a company). It has also a familial structure, because all members has know each other in order to work together without apprehensions.

Our company at the moment has five members that are working for the Mobile Phone Memory Storage / Backup service. Those people are:

- Roberto Mereu
- Natalia Minina
- Said Benalilou
- Shahroz Saeidi
- Khadir Zavareh

Currently, we are seeking for experienced personnel that can help us to grow in quality.

## Personal Information

|                |  |
|----------------|--|
| Name           | Roberto  |
| Surname        | Mereu  |
| Born           | 04 VI 1979<br>Pieve di Cadore (Belluno)<br>(ITALIA/ITALY)  |
| Marital Status | Married  |
| Address        | Ahvenanmaankatu 2 A 4<br>20740 Turku - FINLAND   |
| emails         | <a href="mailto:mereu.roberto@email.it">mereu.roberto@email.it</a><br><a href="mailto:roberto.mereu@students.turkuamk.fi">roberto.mereu@students.turkuamk.fi</a> |
| Nationality    | Italian  |
| Phone Number   | (+358) 50 4920497<br>(+39) 0435 30837<br>(+39) 340 3553915   |

## Studies Information

|            |  |
|------------|--|
| 1999/09/19 | Diploma in Electronics and Telecommunications (60/100)<br>ITIS "G. Segato" Belluno       |
| 2003/08/31 | Started Bachelor of Engineering at Polytechnic of Turku<br>(degree programme in English) |

## Languages

|         |                            |
|---------|----------------------------|
| Italian | Mother-tongue              |
| English | Fluent, written and spoken |
| Spanish | Basics                     |
| German  | Basics                     |
| Finnish | Basics                     |

## IT Knowledge

|                       |  |
|-----------------------|--|
| Microsoft             | Good acquaintance of MS-Windows OS and MS-Office Package   |
| OpenOffice            | Basics/Advanced knowledge on openOffice.org package  |
| *nix                  | Limited Linux skills training at Università degli Studi di Padova (University of Studies of Padova) and at Turku polytechnic |
| Programming Languages | Pascal, Delphi, Java, PHP, plus good working basics in formatting languages such valid HTML/XHTML                            |
| cisco                 | Courses and certifications for cisco CCNA and CCNP during my period of studies in Turku Polytechnic                          |

## Personal Information

|           |  |
|-----------|--|
| Name      | Natalia                                  |
| Surname   | Minina                                   |
| Address   | Yö-kylä 15 A 9<br>20540, Turku (Finland) |
| Telephone | (+358) 400466012                         |

## Education

|           |   |
|-----------|---|
| 2003-     | Turku Polytechnic<br>“Bachelor of Engineering in Information Technology Degree Programme”         |
| 2002-     | Pohjois-Savon Polytechnic<br>“Bachelor of Engineering in Information Technology Degree Programme” |
| 2001-2002 | Turku Polytechnic, Salo, Finland<br>“Turku Polytechnic, Salo, Finland”                            |
| 1998-2001 | Institute of Business, Kouvola, Finland<br>Commercial education                                   |
| 1996-1998 | Adult educational centre, Salo, Finnish language and society, Finland                             |
| 1985-1995 | Comprehensive school and High school, Russia  |

## Professional Experience

|                   |   |
|-------------------|---|
| 01.06.-31.08.2003 | Nokia Mobile Phones, Salo, assembling the phones  |
| 30.12-9.01.2003   | Niina (shop), shop's assistant  |
| 29.12-8.01.2003   | Travel House Finland, tour operator   |
| 5.07-31.08.2002   | Nokia Mobile Phones, Salo, assembling the phones  |
| 16.05.-20.10.2001 | Hotel Valtatiel, Paimio<br>Reception, restaurant, café tasks, cleaner<br>Responsible for correspondence with Russians customers, in charge of designing and editing hotel's business letters, brochures<br>Participating and representing hotel in Tourism fair in Saint-Petersburg |
| 20.2.-16.05.2001  | Hospital of Salo, finance office; office-trainee  |
| Summer of 2000    | Rest house Kanervalva, waitress   |
| June-July of 1999 | Salon Rivimetalli Inc, office-trainee   |
| February of 1999  | Adult educational centre, office-trainee  |

## Additional Skills

Driver's license “B”

Good computer skills (Microsoft Office 2000, Lotus Notes Application, Corel Draw, Effica, Intime-e, Hotellinx etcetera)

Languages: Russian – mother tongue, Finnish – fluent, English – good, Basics of French and Swedish

## References

Heli Järvi, office-assistant, (02)123456  
Niina Simula, chef of catering, (040) 2345678



## Personal Details

|               |  |
|---------------|--|
| Name          | Said Benalilou   |
| Date of birth | 18 V 1971  |
| Nationality   | Finnish  |
| Address       | Yö-kylä 15 A 9<br>20540 Turku (Finland)  |
| Telephone     | 0400 450084  |
| e-mail        | <a href="mailto:Said.Benalilou@students.turkuamk.fi">Said.Benalilou@students.turkuamk.fi</a> |

## Education

|           |   |
|-----------|---|
| 2002-     | Turku Polytechnic<br>“Bachelor of Engineering in Information Technology Degree Programme” |
| 2001      | “Industrial Employee” course  |
| 1999      | Circuit board operator-course   |
| 1997      | “Get way” course (Marketing)  |
| 1997      | “Basics of Computer” course   |
| 1995-1996 | Adult educational centre, Salo, Finnish language and society, Finland                     |
| 1993      | Matriculation exam  |

## Professional Experience

|                     |  |
|---------------------|--|
| 1.06.2003-          | Nokia Mobile Phones, Salo, assembling and repairing the phones |
| 7.06-17.08.2002     | Nokia Mobile Phones, Salo, assembling and testing the phones   |
| 19.03-15-06.2001    | Aspocomp Oyj   |
| 1.09.1998-1.03.1999 | Restaurant job   |

## Interests

Swimming, www-page building, football

## Additional Skills

Driver's license “BC”  
Computer skills (Microsoft Office, C/C++, JavaScript, Java, HTML)

## Languages

Arabic – mother tongue  
Finnish – fluent  
French – fluent  
English – good  
Basics of Spanish

## References

Marja Ringborg Personal recruiting (02)778 2120

## Personal Information

|                |  |
|----------------|--|
| Name           | Shahroz  |
| Surname        | Saeidi   |
| Born           | 02 II 1975 – Salmas (IRAN)                                   |
| emails         | <a href="mailto:shahroz75@yahoo.com">shahroz75@yahoo.com</a> |
| Marital Status | Married  |
| Phone Number   | (+358) 40 7758869  |

## Studies Information

|           |  |
|-----------|--|
| 2002-2004 | Turku Polytechnic - degree program: Information Technology (Finland) |
| 1996-1998 | Urmia University degree program: Mechanic engineering (Iran)         |
| 1990-1994 | Urmia Chamran Mathematics degree high school (Iran)                  |
| 1987-1990 | Urmia Ghanbari school (Iran)   |
| 1982-1987 | Salmas Khalilpour elementary school (Iran)                           |

## Work History

|               |   |
|---------------|---|
| 2004 (summer) | Programming and Web designing at Macrosoft Company in Azerbaijan      |
| 2002          | Turku university library for one month                                |
| 2001          | Varisuoa library in Turku/Finland for one month                       |
| 1998-1999     | Translator at police office in Turkey                                 |
| 1996          | Statistic office in Urmia city in Iran from university for two months |
| 1995-1996     | Teacher in elementary school for third and fourth classes             |
| 1993-1994     | Photo shop one day per week from school                               |
| 1992-1993     | Computer repair one day per week from school                          |
| 1991-1992     | Gold repair one day per week from school                              |
| 1990-1991     | Radio/TV repair one day per week from school                          |

## Languages

|                  |   |
|------------------|---|
| Azeri-Azerbaijan | Mother-tongue                               |
| English          | Satisfactory                                |
| Persian          | As mother tongue                            |
| Turkish          | Very well                                   |
| Finnish          | Good  |
| Arabic           | Grammar, writing and reading (bad speaking) |
| Swedish          | Basic                                       |

## Computer Skills

Basic of Programming C++  
Basic of Programming Java  
Basic of Programming Fortran77  
Basic of Linux  
Basic of Dos  
Working in Windows area (Word, Power-Point and etc)  
Designing Web-pages

## Personal Details

|                  |  |
|------------------|--|
| Name             | Khadir Zavareh   |
| Date of birth    | 09 III 1970  |
| Place of birth   | Iran   |
| Address          | Uudentuvankatu 1 A 24<br>20740, Turku                    |
| Marriage status  | Married, One daughter                                    |
| e-mail           | <a href="mailto:zavareh@gmail.com">zavareh@gmail.com</a> |
| Phone (GSM)      | (+358) 0504113981  |
| Military Service | 1992-1994  |
| Driving License  | B  |

## Education

|           |  |
|-----------|--|
| 2002-     | Turku polytechnic (IT)<br>(Information Technology, B Eng.) (100/160 credits) |
| 1988-1992 | Isfahan University of Technology<br>(Agricultural Eng.)                      |
| 1984-1988 | Mahabad Hadaf High school<br>(High school diploma)                           |

## Language Skills

|                 |                           |
|-----------------|---------------------------|
| English         | Good                      |
| Finnish         | Good                      |
| Persian (Farsi) | Fluent, Official language |
| Kurdi           | Mother tongue             |
| Spanish         | Basics                    |

## Computer skills

|                   |   |
|-------------------|---|
| Operating Systems | MS-Windows XP/2000/NT/98  |
| Networking        | CCNA4   |
| Programming       | HTML, Java  |
| Software          | MathCAD, Flash, MS-Word, Excel, Power-Point, Access                               |
| Other             | Web designing, Basic of Linux/Unix, Networking, Computer certification A+ license |

## Work Experience

|           |                                   |
|-----------|-----------------------------------|
| 1997-1999 | Shahin co. (Chicken Farm Manager) |
| 1996-1997 | Isfahan potato chips co.(Manager) |
| 1994-1996 | Isfahan L.H school (as a teacher) |

# Expenses Table – Year 1

|                         |                  | 1st year |           |          |          |          |          |          |          |          |          |          |
|-------------------------|------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                         |                  | #        | Jan       | Feb      | Mar      | Apr      | May      | Jun      | Jul      | Aug      | Sep      | Oct      |
| Employees               |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | Management       | 5        | 11250     | 11250    | 11250    | 11250    | 11250    | 11250    | 11250    | 11250    | 11250    | 11250    |
|                         | Help Desk        | 2        | 3000      | 3000     | 3000     | 3000     | 3000     | 3000     | 3000     | 3000     | 3000     | 3000     |
| Equipments& Materials   |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | Computers        | 5        | 4000      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                         | Hosting          |          | 1200      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                         | Programming      |          | 20000     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Rents and Costs         |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | Office 30 m²     |          | 320       | 320      | 320      | 320      | 320      | 320      | 320      | 320      | 320      | 320      |
|                         | Water            |          | 30        | 30       | 30       | 30       | 30       | 30       | 30       | 30       | 30       | 30       |
|                         | Electricity      |          | 70        | 70       | 70       | 70       | 70       | 70       | 70       | 70       | 70       | 70       |
|                         | Telephone        |          | 200       | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      | 200      |
| Insurance               |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | Property         |          | 36,88     | 36,88    | 36,88    | 36,88    | 36,88    | 36,88    | 36,88    | 36,88    | 36,88    | 36,88    |
| Other expenses          |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | Furniture        |          | 3500      | 1000     | 500      | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|                         | Miscellaneous    |          | 200       | 100      | 50       | 50       | 50       | 50       | 50       | 50       | 50       | 50       |
| Marketing & Advertising |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | TV               |          |           |          |          |          |          |          |          |          |          |          |
|                         | Radio            |          |           |          |          |          |          |          |          |          |          |          |
|                         | Magazine         |          |           |          |          |          |          |          |          |          |          |          |
|                         | Other media      |          |           |          |          |          |          |          |          |          |          |          |
| Total Outcome           |                  |          | 43806,88  | 16006,88 | 15456,88 | 14956,88 | 14956,88 | 14956,88 | 14956,88 | 14956,88 | 14956,88 | 14956,88 |
| Income                  |                  |          |           |          |          |          |          |          |          |          |          |          |
|                         | # New customer   |          | 80        | 92       | 106      | 122      | 140      | 161      | 185      | 213      | 245      | 280      |
|                         | # Total Customer |          | 80        | 172      | 278      | 400      | 540      | 701      | 886      | 1099     | 1344     | 1620     |
| Total Income            |                  |          | 8000      | 9200     | 10600    | 12200    | 14000    | 16100    | 18500    | 21300    | 24500    | 28200    |
| Profit                  |                  |          | -35806,88 | -6806,88 | -4856,88 | -2756,88 | -956,88  | 1143,12  | 3543,12  | 6343,12  | 9543,12  | 13243,12 |

# Expenses Table – Year 2

|                                    |   | 2nd year         |                 |              |              |              |              |              |              |              |  |
|------------------------------------|---|------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
|                                    | # | Jan              | Feb             | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          |  |
| <b>Employees</b>                   |   |                  |                 |              |              |              |              |              |              |              |  |
| Management                         | 5 | 11250            | 11250           | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        |  |
| Help Desk                          | 2 | 3000             | 3000            | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         |  |
| <b>Equipments&amp; Materials</b>   |   |                  |                 |              |              |              |              |              |              |              |  |
| Computers                          | 5 | 0                | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Web design                         |   | 0                | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| <b>Rents and Costs</b>             |   |                  |                 |              |              |              |              |              |              |              |  |
| Office 30 m²                       |   | 340              | 340             | 340          | 340          | 340          | 340          | 340          | 340          | 340          |  |
| Water                              |   | 30               | 30              | 30           | 30           | 30           | 30           | 30           | 30           | 30           |  |
| Electricity                        |   | 70               | 70              | 70           | 70           | 70           | 70           | 70           | 70           | 70           |  |
| Telephone                          |   | 200              | 200             | 200          | 200          | 200          | 200          | 200          | 200          | 200          |  |
| <b>Insurance</b>                   |   |                  |                 |              |              |              |              |              |              |              |  |
| Property                           |   | 40               | 40              | 40           | 40           | 40           | 40           | 40           | 40           | 40           |  |
| <b>Other expenses</b>              |   |                  |                 |              |              |              |              |              |              |              |  |
| Furniture                          |   | 0                | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Miscellaneous                      |   | 200              | 100             | 50           | 50           | 50           | 50           | 50           | 50           | 50           |  |
| <b>Marketing &amp; Advertising</b> |   |                  |                 |              |              |              |              |              |              |              |  |
| TV                                 |   |                  |                 |              |              |              |              |              |              |              |  |
| Radio                              |   |                  |                 |              |              |              |              |              |              |              |  |
| Other media                        |   |                  |                 |              |              |              |              |              |              |              |  |
| <b>Total Outcome</b>               |   | <b>22417,44</b>  | <b>37547,44</b> | <b>15030</b> | <b>14980</b> | <b>14980</b> | <b>14980</b> | <b>14980</b> | <b>14980</b> | <b>14980</b> |  |
| <b>Income</b>                      |   |                  |                 |              |              |              |              |              |              |              |  |
| # New customer                     |   | 100              | 115             | 132          | 152          | 175          | 201          | 231          | 266          |              |  |
| # Total Costumer                   |   | 2323             | 2423            | 2538         | 2670         | 2822         | 2997         | 3198         | 3429         | 3695         |  |
| <b>Total Income</b>                |   | <b>100</b>       | <b>10000</b>    | <b>11500</b> | <b>13200</b> | <b>15200</b> | <b>17500</b> | <b>20100</b> | <b>23100</b> | <b>26600</b> |  |
| <b>Profit</b>                      |   | <b>-27547,44</b> | <b>-3530</b>    | <b>-1780</b> | <b>220</b>   | <b>2520</b>  | <b>5120</b>  | <b>8120</b>  | <b>11620</b> |              |  |

# Expenses Table – Year 3

|                                    |   | 3rd year  |          |       |       |       |       |       |       |       |  |
|------------------------------------|---|-----------|----------|-------|-------|-------|-------|-------|-------|-------|--|
|                                    | # | Jan       | Feb      | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   |  |
| <b>Employees</b>                   |   |           |          |       |       |       |       |       |       |       |  |
| Management                         | 5 | 11250     | 11250    | 11250 | 11250 | 11250 | 11250 | 11250 | 11250 | 11250 |  |
| Help Desk                          | 2 | 3000      | 3000     | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  | 3000  |  |
| <b>Equipments&amp; Materials</b>   |   |           |          |       |       |       |       |       |       |       |  |
| Web design                         |   | 2000      | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     |  |
| Hosting                            |   | 1200      | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     |  |
| Programming                        | 1 | 3780      | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     |  |
| <b>Rents and Costs</b>             |   |           |          |       |       |       |       |       |       |       |  |
| Office 30 m^2                      |   | 340       | 340      | 340   | 340   | 340   | 340   | 340   | 340   | 340   |  |
| Water                              |   | 30        | 30       | 30    | 30    | 30    | 30    | 30    | 30    | 30    |  |
| Electricity                        |   | 70        | 70       | 70    | 70    | 70    | 70    | 70    | 70    | 70    |  |
| Telephone                          |   | 200       | 200      | 200   | 200   | 200   | 200   | 200   | 200   | 200   |  |
| <b>Insurance</b>                   |   |           |          |       |       |       |       |       |       |       |  |
| Property                           |   | 40        | 40       | 40    | 40    | 40    | 40    | 40    | 40    | 40    |  |
| <b>Other expenses</b>              |   |           |          |       |       |       |       |       |       |       |  |
| Furniture                          |   | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     |  |
| Miscellaneous                      |   | 200       | 100      | 50    | 50    | 50    | 50    | 50    | 50    | 50    |  |
| <b>Marketing &amp; Advertising</b> |   |           |          |       |       |       |       |       |       |       |  |
| TV                                 |   |           |          |       |       |       |       |       |       |       |  |
| Radio                              |   |           |          |       |       |       |       |       |       |       |  |
| Other media                        |   |           |          |       |       |       |       |       |       |       |  |
| <b>Total Outcome</b>               |   | 87722,56  | 98582,56 | 15030 | 14980 | 14980 | 14980 | 14980 | 14980 | 14980 |  |
| <b>Income</b>                      |   |           |          |       |       |       |       |       |       |       |  |
| # New customer                     |   | 100       | 115      | 132   | 152   | 175   | 201   | 231   | 266   |       |  |
| # Total Costumer                   |   | 5224      | 5324     | 5439  | 5571  | 5723  | 5898  | 6099  | 6330  | 6596  |  |
| <b>Total Income</b>                |   | 100       | 10000    | 11500 | 13200 | 15200 | 17500 | 20100 | 23100 | 26600 |  |
| <b>Profit</b>                      |   | -88582,56 | -3530    | -1780 | 220   | 2520  | 5120  | 8120  | 11620 |       |  |

# Expenses Table – Year 4

|                                    |   | 4th year         |                 |              |              |              |              |              |              |              |  |
|------------------------------------|---|------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
|                                    | # | Jan              | Feb             | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          |  |
| <b>Employees</b>                   |   |                  |                 |              |              |              |              |              |              |              |  |
| Management                         | 5 | 11250            | 11250           | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        |  |
| Help Desk                          | 2 | 3000             | 3000            | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         |  |
| <b>Equipments&amp; Materials</b>   |   |                  |                 |              |              |              |              |              |              |              |  |
| Web design                         |   | 2000             | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Hosting                            |   | 1200             | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| <b>Rents and Costs</b>             |   |                  |                 |              |              |              |              |              |              |              |  |
| Office 30 m²                       |   | 420              | 420             | 420          | 420          | 420          | 420          | 420          | 420          | 420          |  |
| Water                              |   | 30               | 30              | 30           | 30           | 30           | 30           | 30           | 30           | 30           |  |
| Electricity                        |   | 70               | 70              | 70           | 70           | 70           | 70           | 70           | 70           | 70           |  |
| Telephone                          |   | 200              | 200             | 200          | 200          | 200          | 200          | 200          | 200          | 200          |  |
| <b>Insurance</b>                   |   |                  |                 |              |              |              |              |              |              |              |  |
| Property                           |   | 45               | 45              | 45           | 45           | 45           | 45           | 45           | 45           | 45           |  |
| <b>Other expenses</b>              |   |                  |                 |              |              |              |              |              |              |              |  |
| Furniture                          |   | 0                | 0               | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Miscellaneous                      |   | 200              | 100             | 50           | 50           | 50           | 50           | 50           | 50           | 50           |  |
| <b>Marketing &amp; Advertising</b> |   |                  |                 |              |              |              |              |              |              |              |  |
| TV                                 |   |                  |                 |              |              |              |              |              |              |              |  |
| Radio                              |   |                  |                 |              |              |              |              |              |              |              |  |
| Other media                        |   |                  |                 |              |              |              |              |              |              |              |  |
| <b>Total Outcome</b>               |   | <b>26687,44</b>  | <b>45102,44</b> | <b>15115</b> | <b>15065</b> | <b>15065</b> | <b>15065</b> | <b>15065</b> | <b>15065</b> | <b>15065</b> |  |
| <b>Income</b>                      |   |                  |                 |              |              |              |              |              |              |              |  |
| # New customer                     |   | 100              | 115             | 132          | 152          | 175          | 201          | 231          | 266          |              |  |
| # Total Costumer                   |   | 8125             | 8225            | 8340         | 8472         | 8624         | 8799         | 9000         | 9231         | 9497         |  |
| <b>Total Income</b>                |   | <b>100</b>       | <b>10000</b>    | <b>11500</b> | <b>13200</b> | <b>15200</b> | <b>17500</b> | <b>20100</b> | <b>23100</b> | <b>26600</b> |  |
| <b>Profit</b>                      |   | <b>-35102,44</b> | <b>-3615</b>    | <b>-1865</b> | <b>135</b>   | <b>2435</b>  | <b>5035</b>  | <b>8035</b>  | <b>11535</b> |              |  |

# Expenses Table – Year 5

|                         |   | 5th year         |                  |              |              |              |              |              |              |              |  |
|-------------------------|---|------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
|                         | # | Jan              | Feb              | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          |  |
| Employees               |   |                  |                  |              |              |              |              |              |              |              |  |
| Management              | 5 | 11250            | 11250            | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        | 11250        |  |
| Help Desk               | 2 | 3000             | 3000             | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         | 3000         |  |
| Equipments& Materials   |   |                  |                  |              |              |              |              |              |              |              |  |
| Computers               | 5 | 4000             | 0                | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Web design              |   | 2000             | 0                | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Hosting                 |   | 1200             | 0                | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Programming             | 1 | 3780             | 0                | 0            | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Rents and Costs         |   |                  |                  |              |              |              |              |              |              |              |  |
| Office 30 m²            |   | 440              | 440              | 440          | 440          | 440          | 440          | 440          | 440          | 440          |  |
| Water                   |   | 30               | 30               | 30           | 30           | 30           | 30           | 30           | 30           | 30           |  |
| Electricity             |   | 70               | 70               | 70           | 70           | 70           | 70           | 70           | 70           | 70           |  |
| Telephone               |   | 200              | 200              | 200          | 200          | 200          | 200          | 200          | 200          | 200          |  |
| Insurance               |   |                  |                  |              |              |              |              |              |              |              |  |
| Property                |   | 45               | 45               | 45           | 45           | 45           | 45           | 45           | 45           | 45           |  |
| Other expenses          |   |                  |                  |              |              |              |              |              |              |              |  |
| Furniture               |   | 3500             | 1000             | 500          | 0            | 0            | 0            | 0            | 0            | 0            |  |
| Miscellaneous           |   | 200              | 100              | 50           | 50           | 50           | 50           | 50           | 50           | 50           |  |
| Marketing & Advertising |   |                  |                  |              |              |              |              |              |              |              |  |
| TV                      |   |                  |                  |              |              |              |              |              |              |              |  |
| Radio                   |   |                  |                  |              |              |              |              |              |              |              |  |
| Other media             |   |                  |                  |              |              |              |              |              |              |              |  |
| <b>Total Outcome</b>    |   | <b>79232,56</b>  | <b>108947,56</b> | <b>16135</b> | <b>15585</b> | <b>15085</b> | <b>15085</b> | <b>15085</b> | <b>15085</b> | <b>15085</b> |  |
| Income                  |   |                  |                  |              |              |              |              |              |              |              |  |
| # New customer          |   |                  | 100              | 115          | 132          | 152          | 175          | 201          | 231          | 266          |  |
| # Total Costumer        |   | 11026            | 11126            | 11241        | 11373        | 11525        | 11700        | 11901        | 12132        | 12398        |  |
| <b>Total Income</b>     |   | <b>100</b>       | <b>10000</b>     | <b>11500</b> | <b>13200</b> | <b>15200</b> | <b>17500</b> | <b>20100</b> | <b>23100</b> | <b>26600</b> |  |
| <b>Profit</b>           |   | <b>-98947,56</b> | <b>-4635</b>     | <b>-2385</b> | <b>115</b>   | <b>2415</b>  | <b>5015</b>  | <b>8015</b>  | <b>11515</b> |              |  |





## Marketing Plan

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