

SCYBERNETIX



Business Plan for the Scybernetix Company submitted to the
Zambian Information and Communication Authority (ZICTA)

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Executive Summary

This business plan will show how a total investment of only K 900,000 could yield cumulative net profits in excess over a five-year period, while maintaining adequate levels of liquidity.

The purpose of this plan is to secure funding to cover the start-up costs.

Due to the Corona Virus (COVID-19), all schools in Zambia were forced to close down affecting primary, Secondary and tertiary students. Students found it hard to access lessons and this forced the Examination council of Zambia to improvise. Over the years now, Zambian students have no access to answers schemes for ecz past papers as a result they normally complain.

Our Company will bridge information and learning tools to students such that even if an epidemic breaks out, the government and E.C.Z will not be in pressure to find ways of giving learners the learning tools they require while away from school. Our Company will also provide learners with answers schemes for ecz past papers so that they can easily assess themselves whilst at home.

Our target market is mainly the students. To be specific we are targeting those pupils in examination classes or at least those in secondary school who find it difficult to understand what is being taught at school. According the Ministry of general education statistics, about 822,160 students were enrolled in secondary school in 2016. Thus our market Size could be around **82,216** students or more because not every student owns a smart phone.

Zedpastpapers, E.C.Z material and Eskulu have been trying to achieve the same goal as our Company. Despite having large market already available to them, they are only focusing in one area (*such as provision of PDF past papers only*) and not providing all the necessary learning materials thus students have limited access to information through their platforms.

Scybernetix is made up of only one member who happens to be the founder. With proper funding, our company tends to employ Human resource of these skills;

- Programmers/Developers
- Graphic designers
- Marketing team
- Financial experts
- Professional teachers
- Testers/Inspectors

With proper funding these individuals will help in accelerating the development and commercialization of the platform. Not only that different physical resources such as desktop computer, Mobile devices, Scanners, Printers and laptops will be bought to help speed up the creation of these learning tools.

The Company Summary

1. Business Background

Scybernetix has been involved with the education sector for about two years now despite the platform being in its initial stages. It first released its first e-learning platform called “Science Impossible” on the 12th of January 2018 which was later changed and upgraded to “**Scybernet**” on the 21st of February 2019.

Its core business activity is the provision of learning tools for students.

2. General Business Overview

Scybernetix is a startup business that focuses mainly in the education sector. It provides academic tools that will be useful to students. In Zambia, it is observed that we are “*lacking*” when it comes to the education services on the internet, as a result students tend to use foreign platforms to find information that they require. Scybernetix will break up this dependency syndrome. Not only that, Scybernetix will be filling up the gap that has disconnected students from local learning tools. This will be achieved by providing a platform (*Scybernet*) that will be a local learning platform and that will be bordered on the Zambian teaching curriculum. This platform targets students that are in examination classes or at least in secondary school. To be specific, the platform is created at the perspective of the slow learners or those who find it difficult to understand lessons in school. According to a statistic that was conducted by the ministry of General Education in 2016, about 822,160 students were enrolled in secondary school but due to different backgrounds, not every student can manage to access the internet. Of the 822,160 students enrolled in secondary school, we took a minimum value of 82,216 (10%) students and have put this as our target market because 10% of 822,160 can at least manage to own or have access to a smart phone.

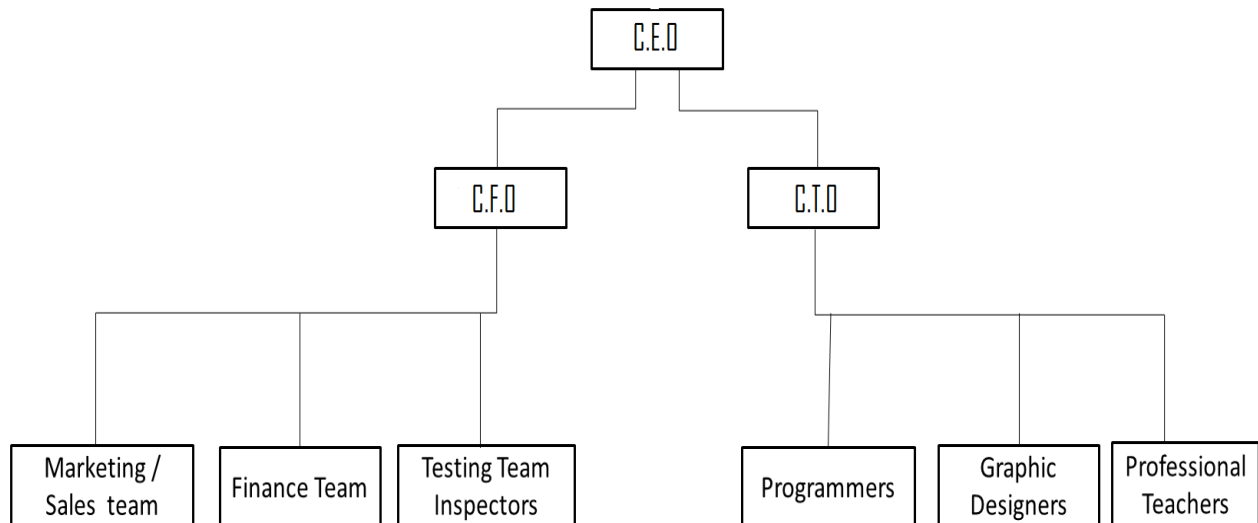
3. Goals and Objectives

Our company’s main goals/ objectives include;

- Providing a variety of local learning tools/materials for students.
- Making sure that students begin to use local online education platforms.
- Making sure that students have an easier way of learning stuff.
- Providing a platform where students can be able to discuss with one another and ask questions.
- Providing a Safe searching system where students can find information they need safely.
- To generate positive cash flow from operations, and at least 10 percent net profits to sales.

4. Company Structure

Scybernetix is currently a startup business but hopes to upgrade into a partnership with the Ministry of General education and also a telecommunication or mobile service provider. Below is a corporate structure for Scybernetix.



The business will be made up of a Chief Executive officer (C.E.O) who will control all the operations of the business. Below the C.E.O, a Chief technology Officer (C.T.O) and a Chief Finance Officer (C.F.O) will be appointed to run the final Scybernetix division. The C.F.O will be controlling the marketing/ sales and Finance. The C.T.O will be in charge of leading and supervising the Programmers, Testers, Graphic Designers and the Professional teacher's team. They will be working hand-in-hand to ensure that only the best features and information are in the platform and also the materials sold (pamphlets and answers schemes) are of good quality.

5. S.W.O.T Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Our products and services will have a variety of features thus our competitors will have to “A” up their game.• We have received copyright from some organizations whose information will be used in the platform thus our competitors cannot copy our work.• We are able to respond very quickly as we have no red tape.	<ul style="list-style-type: none">• Establishing a reputation on the internet will be challenging.• We’ve not established a strong capital base and our cash flow will be unreliable in the early stages.• There are a lot of new hires to train and organizational structures to learn.• Don’t have reputation or money for upgrade of features.• Small market available to us as a startup
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Promotion of initiative to support the education sector by the Zambian Government.• There is an increase in the number of students who use their mobile phones for school purposes.• There are few competitors in our area of business.	<ul style="list-style-type: none">• Competition from our competitors on the market,• Low income rates due to our services not being used.• Introduction of taxation on our product.• Lack of user’s needs in our business can affect our customer size.

6. Mission

Our mission is to provide high quality education and empower every student to build their imagination; creativity and logic thinking which will help them solve current and future problems.

7. Vision

Our vision is to become Zambia’s number one leading student service provider by 2030. This will be achieved by providing a stimulating learning platform which will help students discover their interest and grow in their love for learning.

Description of Business Operation

1. Business Operating Process

Once fully funded, our company will be able to operate on higher standards by increasing the rate at which educational tools and resources are released to the students and also providing the best solutions for their academic needs *such as different lessons, videos and answers schemes among others*.

- Each employee will be required to be at the firm at exactly 08:00 to start the work.
- The Business will be run by the **C.E.O, C.T.O** and **C.F.O**. The C.T.O will be responsible for monitoring the progress of the Platforms released and those in creation.
- Each employee in the production team will have his/ her own to-do-list assigned to them by the C.T.O from the C.E.O on what they need to work on. This to-do-list will be required to be completed by the end of two week.
- Once an employee completes the list, his/her work will be handed over to the **tester (s)** to **inspect the work** and if there are any mistakes, it will be taken back to the employee for correction. These inspections will take 1 week or less. Whilst the work is being inspected, the employee will be assigned another to-do-list.
- The programmers, Graphic designers and teachers will be working hand in hand.
- Once fully approved and double checked, the work will be uploaded on the platform as a new feature or an upgrade.
- In the marketing section, there will be a team of technical experts who will be monitoring and giving **reports on the platform's daily user traffic** as this will help us to know which areas our users are visiting and the need to improve in the other regions which have less user traffic. In the marketing team, there will also be people who will be in charge of the sales of the company.
- The finance team will be giving **reports on money** coming in the company and money going out. They will also be keeping records of all the financial resources of the business.
- Every end of the three months, Candidates with ideas in the business will be voluntarily required to **pitch their ideas** to business C.T.O, C.E.O, C.F.O, technical experts and other invited guests from the ministry of Education who will then up vote for the idea. These ideas will be based on marketing strategies, improvement of the platform or new features for learning tools which can be in development. Top 2 ideas will undergo the process of development after which they will be released to our market as new features / strategy. The owners of these ideas will be given a 25% bonus to their salary for that month to help increase competition for new ideas within the business.
- The marketing team will also be **promoting our platform** out there on the Zambian market. This is important because we will need to get as much user traffic and sales as possible
- Employees will be expected to leave work at 16:30hrs. And the monthly salary of employee will depend on their position in the business.

2. Products and/or Services

The features of the platform that our company will provide include; Lessons, Experiments, Past Papers, Books, Videos, Quizzes, Sample documents (*e.g field projects*) other features include application that will enable students to solve mathematics questions, English rewrites among others on both the Android and the Windows Platform. Merging of all these features together will be very beneficial to students as they will not require using other platform to access for instance videos for a lesson. We also plan on producing hard copied learning materials (*such as answers schemes and pamphlets*) that will be sold to students, especially those who cannot access our online platforms.

3. Our Advantage Over Our Competitors

- Our competitors, for instance **Zedpastpapers** is only focusing in providing PDF documents for E.C.Z past papers thus students cannot use this platform if they have intentions of accessing lessons. On the other hand **ECZ materials** are also just providing PDF files on their website but for them they have put lessons in their android application. This is a disadvantage because the android application requires signing up to access the tools, which disadvantages those students without phones but use other people's smartphone. Furthermore Students on the Windows Platform will also not have access to learning tools because the learning tools are in the **ECZ materials** android application. Our platform does not contain any sign up page to access the learning tools such as videos and lessons. All the learning tools will be found on the website, in the android application and finally in our windows software. We will not only be focusing in one area of service but we plan to merge different learning aspects into one platform and provide a variety of learning features.
- We also plan to add answers schemes to our platform for E.C.Z past papers which our competitors are not doing and lastly our plan is not only to depend on out online platform but also to diverge into hard copied materials to generate more financial resources for our company because a certain proverb says **"Don't put all your eggs in one basket."**

4. Equipment

- ✚ **Computers and mobile phones:** computers will be used to code, design graphic and prepare document (*i.e answers Schemes and lesson documents*). Mobile phones will be used for testing purposes, Communication and research.
- ✚ **Printers & Photocopiers** will be used to print out works such as important documents for the business and also hard copy material which can be sold to students.
- ✚ **Scanners & Binding machines** will be used to scan E.C.Z past papers which can be put on the platform as Soft copy also other important business files will be scanned using the scanner. Documents will be stuck together with the help of a binding machine.
- ✚ **Cameras, Voice receiver & Speakers** will be used by video editors to capture teachers who will be recording lesson and experiment videos for our online platform.
- ✚ **Wi-Fi Routers** will be used for internet connectivity.
- ✚ **Projectors** will be used for presentations and pitching of ideas within the business.

5. Income Sources

Our Company's main sources of income will come from two strategies.

First Strategy

The first strategy involves making money through the use of our online platform (**Scybernet website**). This will be achieved through;

- a) Sales on the Answers Schemes for students (*soft copy*)
- b) Participation Fees in the online Examination (*ScyberExam*)

Our other alternatives will be;

- c) Ads Revenue (*Google AdSense*)
- d) Open Donation Portals.

Second Strategy

Our Second strategy will involve making money outside the platform. This will be the First Step that we will undertake once in business because during that time, the **First Strategy** won't be reliable as the platform is still incomplete. The **Second Strategy** includes;

- a) Sales on the Answers Schemes for students. (hard copy)
- b) Sales on learning pamphlets and materials.

PRODUCTION VOLUME

We plan to produce not less than 2,500 hard copy materials every month which will be sold to different schools.

PRICE OF THE PRODUCT/SERVICE

We will charge a fee of K6 - K10 to the sales of these materials.

The Market Overview

The market for educational tools/materials in Zambia is very vast country wide. More than 10,000 students go on the internet to research on school work on a daily basis especially those that are in secondary school and in university.

1. Trends in Demand

There is great demand for learning platforms and materials in Zambia because students are looking for learning material each and every day. The demand for learning platform comes from different firms such as tuitions centres, government and private schools, and also home where these students are found.

2. Trends in Supply

The main suppliers of learning tools are Zedpastpapers, ECZ materials, The District Education Board (DEBS) department and other small scale businesses. The demand is higher than the supply because with the low information content, many students are discouraged from using Zambian learning platforms. Many potential businesses do not realize that as long as they are able to maintain high level and constant supply of educational materials, the business is profitable. And the best part about this business section is that, As long as Schools exist in Zambia, business will always be available.

3. Competitive analysis

As a startup, we wish to develop our firm in the city of Lusaka. This is because there is a lot of business in this city and also if we are in partnership with the Ministry of Education, we will be closer. Being highly populated we will also have the opportunity to sale some of our hard copy material to our potential customers (*students*) thus increasing our financial resource.

4. Target Market Size

We believe that our market size could be around 82,216 Country wide and with the Second strategy we can make our sales to more students than our estimated target market.

Management Strategy

1. Key Personnel

The business will be run by the Chief Executive Officer (C.E.O) whose main duty in the business will be to run it day in and day out and attend business meetings. All final decision on what to do in the company will be controlled by the C.E.O.



NAME: Abraham Chileshe

Date of Birth: 23rd February 2003

Position: C.E.O

Skills: Website development and Software development

The Chief Technology Officer will come under the C.E.O. The main duty of the C.T.O will be to control and assign what should be developed by the business. This will only be done upon approval by the C.E.O. The C.T.O will come up with ideas and also receive ideas from the Scybernetix division team. The C.T.O should at least have knowledge on computer Science and Programming. The C.T.O will be working with the team of Programmers, Graphic Designers, Video Editors, and Teachers to monitor the development of the features of the platform. (*This position is yet to be filled.*)

Lastly there will be a Chief Finance officer (C.F.O). The main function of the C.F.O will be to monitor and supervise the works that is being done by the sales, marketing and Finance team. The C.F.O will be in charge of the Marketing and Finance/Sales team, to see how the business is doing in market and also to see finance reports. He/she should have knowledge on accounting and business management. (*This position is yet to be filled.*)

Both the C.T.O and C.F.O will be expected to report to the C.E.O on the company's progress.

2. Phasing

In the next three years, we expect our workforce to increase in number to 50% considering our plans of diverging into publishing book (*authors will be required for this*). This also takes into consideration that the business will be focused in enhancing education in Zambia.

The Startup Budget

The budget is set for a period of one year.

1. FIXED CAPITAL

Equipment	# of equipment	Cost for each (ZMK)	Total Cost (ZMK)
Computers	8	5,000	40,000
Mobile phones	6	1,200	7,200
Printers/Scanners/Photocopiers	2	1,600	3,200
voice sounds (<i>speakers</i>)	2	1000	2,000
Voice Receivers (<i>microphones</i>)	3	700	2,100
HD Cameras	2	3,000	6,000
Projectors	1	2500	2,500
WI-FI Routers/modems	2	700	1,400
Rentals for Building	12 months	6,000	72,000
Generators	1	4500	4,500
Furniture/stationery <i>-Chairs and Tables, stats board, filling cabinet, trash cans, meeting table, reams of papers, whiteboard...</i>	-	-	44,300
SUBTOTAL			K185,200

2. Salaries for Human Resource (Working Capital)

This account for monthly and annual Costs.

Professional Skill	Number of workers	Monthly salary for each	Monthly Salary for all workers	# of Months	Total Cost for a year
Chief Executive Officer	1	6,000	6,000	12	K72,000
Chief Technology Officer	1	4,000	4,000	12	K48,000
Chief Finance Officer	1	4,000	4,000	12	K48,000
Programmers	6	2,500	K15,000	12	K180,000
Graphic Designers	2	900	K1800	12	K21,600
Video Captures and Editors	2	1,500	K3000	12	K36,000
Teachers	2 <i>(contract)</i>	1,500	K3,000	12	K36,000
Finance Team	2	2,000	K4000	12	K48,000
Marketing and Sales team	3	2,000	K6,000	12	K72,000
Testers/Inspectors	1	700	700	12	K8,400
SUBTOTAL			K 47,500		K570,000

3. PLATFORM & STARTUP EXPENSES

Expense on;		Period	Total Cost (ZMK)
	Renting Hosting Services, domain name and Internet Costs/Data Plan	1 Year	20,000
	Playstore account registration	-	500
	Business Name registration	-	400
	Advertising expenses	-	1,000
	Annual Returns	1 year	83
	SUBTOTAL		K21,983

4. NET STARTUP BUDGET (For One year)

NET COST = FIXED CAPITAL + WORKING CAPITAL + STARTUP EXPENSES

NET COST = K 185,200 + K 570,000 + K 21,983

NET COST = K 777,183

- The total amount our company will require to run for a year is K 900,000 to cover up all the salaries, equipment, office space, sales on production e.tc.

5. Loan Repayment

Year 1	Year 2	Year 3	Year 4	Year 5
K0	K 75,000	K 125,000	K 300,000	K 400,000

Business Results and Impact

1. Profitability

Our business can be very profitable if managed with precaution and responsibly. The projected profit analysis for answers scheme and learning materials is depicted below;

- The cost of each answers scheme we prepare is **K7**, multiplied by estimated customers **28,000**. Then Our Total Sale on answers schemes document would be K 196,000.
- In a ream a papers we assume that we would be able to produce 50 ten paged answers scheme. The cost for printing these 50 copies would be K150 (*cost of ream of paper + Printing Ink*). If we multiply this cost by 28,000 copies divided by 50copies per ream of paper, our estimated cost on production becomes K 84,000

Gross profit for one answer schemes sold to 28000 students (Theoretical)

TOTAL SALES	K196,000
COST OF PRODUCTION	K84,000
GROSS PROFIT	K112,000

2. Sustainability

Based on the financial projections, the business will be able to profitably sustain its operations after being funded at the initial stage. It is expected that the business will be in a much stronger financial position after the investor's Intervention.

3. Socio-Economic Impact

This initiative will benefit the community, as we will employ youths to work for our company. The salaries that they will receive will trickle down to members of their families. And we will help our economy by boasting it in terms of education and increasing literacy.

Marketing Strategies

1. Competition

As stated earlier in this document, our main competitors are ZedPastPapers, ECZ Materials and Eskulu. They have been providing e-learning materials for quite some time now as a result they have gained trust from their platform user and has lead them into having large market available to them nevertheless these platforms have their demerits;

ZedpastPapers and ECZ materials are only focusing in the field of providing PDF documents and as for ESKULU it does not allow its visitors to download document for lessons and this is a great disadvantage to the users.

Scybernetix has the vision of providing a variety of learning feature such as Windows, Android/IOS learning application, Educative Zambian Games, Free to download Lesson documents and also cheap ECZ answer schemes.

With technology on the rise it will become more and more difficult to remain competitive but with a partnership with the Ministry Of General Education we will be able to fight our way to the top of the tables.

2. Marketing and Sale Strategies

- Once into business, we will start producing hard copy materials which with the help of special agents will be sold to schools where students who might buy them are found.
- For the soft copy materials and also the software, these will be advertised on different platforms such as Facebook, Youtube and also TV channels such as ZNBC so that we begin to increase our market size thus increase our sales.
- From all these platforms, we will use Facebook the most because a large section of our customers are normally on Facebook.
- We will ensure that approximately 10,000 sales are made every month to generate more income and with the help of teachers from schools as our agents, these sales will be made possible and these teachers will be paid based on their sales.

Environmental Concerns

The worst from this industry comes in form of data loss, low sales, server faults, high traffic, Hacking and even theft;

Concern	Mitigation
Theft - this is a big risk in any business	<ul style="list-style-type: none">• A security guard will be employed to safeguard the business premises.• Teachers in different schools will be used as Sales agent, that way we will not have to worry about having an agent run off with the business finances.
Server Fault	<ul style="list-style-type: none">• We will make sure that our platform is hosted on a safe and well trusted hosting service provider to prevent server failures.
Data Loss	<ul style="list-style-type: none">• We will ensure that all our data is backed up to the cloud such that even if data is lost in the firm due to computer viruses or hard drive faults, we will be able to recover it from the cloud.
Hacking	<ul style="list-style-type: none">• We will make sure that, our website is protected with a SSL certificate so that the connection of the user to the server can be private to prevent hackers from messing with the platform.• As we grow bigger, we will hire a cyber-security team.
Low Sales	<ul style="list-style-type: none">• We will make sure that our materials are of good quality.• We will ensure that the price of these learning materials is very affordable.

Projected Cash Flow

Many profitable companies go bankrupt because of cash flow deficiencies. That is why our main concern will be to have sufficient cash on hand to meet our payment obligations, and be prepared for unexpected needs of cash. Our conservative projections indicate that our business is able to generate positive cash flows and sufficient cash reserves.

	Year 1 (ZMK)	Year 2 (ZMK)	Year 3 (ZMK)	Year 4 (ZMK)	Year 5 (ZMK)
Cash Inflows					
Investments	900,000		-	-	-
Sales	245,000	941,300	1,314,123	1,564,433	2,190,205
Total Cash Inflow	1,145,000	941,300	1,314,123	1,564,433	2,190,205
Cash Outflows					
Assets/Equipment	113,200	-	20,000	30,000	60,000
Cost of Sales	55,500	150,422	210,000	250,000	350,000
Building Rentals	72,000	72,000	110,000	110,000	180,000
Motor Vehicle	-	-	-	70,000	-
Electricity	2,400	2,500	2,800	2,800	3,000
Payroll	570,000	590,000	620,000	640,000	720,000
Vehicle repairs	-	-	-	10,000	12,000
Fuel and Oil	500	550	600	2000	3000
Annual Returns	83	83	83	83	83
Website Hosting and Internet Fees	20,000	21,000	25,000	26,000	30,000
Other Expenses	10,000	12,000	15,000	17,000	25,000
Loan Repayment	0	75,000	125,000	300,000	400,000
Total Cash Outflows	843,683	923,555	1,128,483	1,457,883	1,783,083

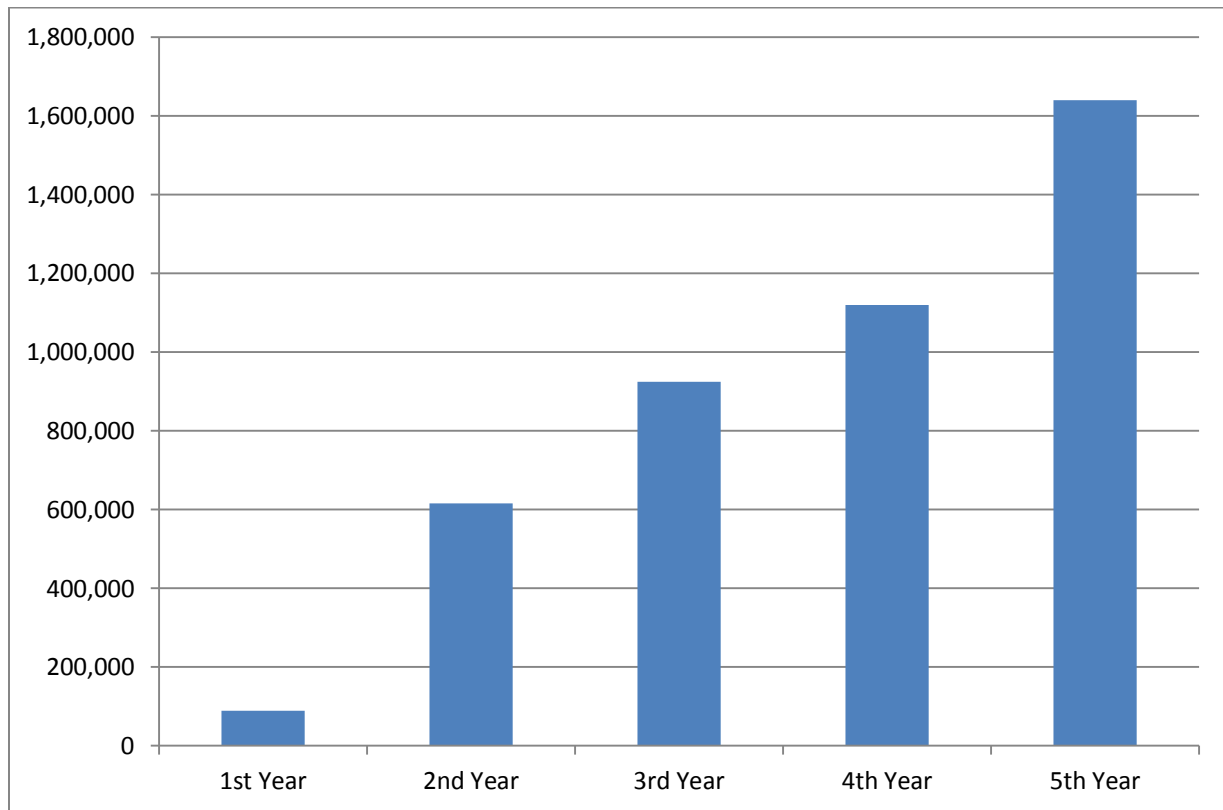
CASH FLOW SUMMARY					
Total Inflows	1,145,000	941,300	1, 314,123	1,564,433	2,190,205
Total Outflows	843,683	923,555	1,128,483	1,457,883	1,783,083
Net Cash flow	301,317	17,745	185,640	106,550	407,119
Balance b/f	-	301,317	319,062	504,702	611,252
Balance c/f	301,317	319,062	504,702	611,252	1,018,371
					Minus Loan interest

Projected Profit and Loss Statement

We expect to be profitable in the first year of operations, with profits increasing over the next five years, as we establish and increase our customer base. The following table and charts show the projected profit and loss for five years.

Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
	ZMK	ZMK	ZMK	ZMK	ZMK
Sales	245,000	941,300	1, 314,123	1,564,433	2,190,205
Cost of sales	55,500	150,422	210,000	250,000	350,000
Gross Margin	189,500	790,878	1,104,123	1,314,433	1,840,205
Gross Margin %	77.3%	84%	84%	84%	84%
TOTAL EXPENDITURE					
General and selling expenses	50,000	125,000	130,000	145,000	150,000
Net Profit/Loss before tax	139,500	665,878	974,123	1,169,433	1,690,205
Maximum taxation charge	50,000	50,000	50,000	50,000	50,000
Net Profit/Loss after tax	89,500	615,878	924,123	1,119,433	1,640,205

GRAPH OF ANNUAL PROFIT



Appendix I Ownership

Scybernetix is owned by Abraham Chileshe, aged, 17.

Appendix ii Creditors and Debtors

We currently have no debtors or creditors as we have not stepped into business yet.

Appendix iii Claims and Litigations

We have no claims or litigation.

Past & Present Bankers

We currently do not own a bank account neither have we opened one in the past.