March 2017

Audiotronics Limited

Business Plan

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# Section 1

## Executive Summary

|  |  |
| --- | --- |
| Company Name: | Audiotronics Ltd. |
|  |  |
| Address | Unit 4, Building C Industrial Estate Dublin 3 D03 A2BC |
|  |  |
| Telephone: | 01-4123456 |
| Fax: | 01-4123455 |
| Email: | enquires@audiotronics.ie |
|  |  |
| Co. Registration Number: | 2109867YZ |
|  |  |
| VAT Number: | IE204587415E |
|  |  |
| Accountants: | Armin Tamzarian 742 Evergreen Terrace  Springfield  Tallaght, Dublin 24 |
|  |  |
| Bank: | Bank of Ireland, IFSC House  IFSC, Dublin 1 |

Audiotronics Ltd. is a company recently formed by the five promotors; C. Allen, K. Feeney, P. Lawlor, F. McMorrow & C. Vecchionacce – to fulfil an identified market for the production and supply of mobile apps specialising in acoustics and sound on Google Play Store.

The company’s objectives into the future are:

* To achieve a profitability of 5 % return on sales by end of year 1.
* To achieve an 8% share of the market dealing with mobile acoustic apps by end of year 2.
* To comply in the short term to the following standards that specialise in acoustics and sound:

|  |  |  |  |
| --- | --- | --- | --- |
| ISO 226:2003 | ISO/DIS 389-1 | ISO 389-1:1998 | ISO 389-2:1994 |
| ISO 389-3:2016 | ISO 389-4:1994 | ISO 389-5:2006 | ISO 389-6:2007 |
| ISO 389-7:2005 | ISO 389-7:2005 | ISO 389-8:2004 | ISO 389-9:2009 |
| ISO 1996-1:2016 | ISO 1996-2:2007 | ISO/FDIS 1996-2 | ISO 1999:2013 |
| ISO 7029:2017 | ISO 8253-1:2010 | ISO 8253-2:2009 | ISO 8253-3:2012 |
| ISO 9612:2009 | ISO 11690-1:1996 | ISO 11690-2:1996 | ISO 11690-3:1997 |
| ISO 14257:2001 | ISO/TS 15666:2003 | ISO 17624:2004 | ISO 22868:2011 |
| ISO/NP 22868 | ISO 28961:2012 |  |  |

* In the medium term, it is planned to secure its own premises in the Dublin City area

This Business Plan is produced with a view to securing the necessary investment from Bank of Ireland:

Term Loan: €20,000

Overdraft Facility: €10,000

Country Enterprise Board: €13,505

# Section 2

## Introduction

### Overview

# Section 3

## Market

### The Market

(Note: Market and the former name for Google Play Store; “Android Market” are not interchangeable in this document)

Audiotronics will operate in a specialised niche market with the production of acoustic and sound mobile applications.

### Overview

The market for the production of acoustic and sound mobile applications in Ireland is shown in the table hereunder.

|  |  |  |  |
| --- | --- | --- | --- |
| **Google Play Store Sector by Selected Genre Segment (Free Apps)** | | | |
| Genre | FREE \* | PAID \*\* |  |
| Music & Audio | €136,125,000 | €87,696,268 | (Acoustics: €150,780) |
| Game | €136,125,000 | €93,212,123 |  |
| Tools | €136,125,000 | €42,243,476 |  |
| Dating | €136,125,000 | €54,424,765 |  |
| Entertainment | €136,125,000 | €99,345,156 |  |
| Shopping | €136,125,000 | €89,452,653 |  |
|  |  |  |  |
| **Sub Total** | **€816,750,000** | **€466,374,441** |  |
| **Total** | **€1,283,124,441** | |  |

\* Based on first 250 applications. Estimate is based on if half of users buy one purchase at 99c, as an in-app purchase.

\*\* Based on first 250 applications in selected genre on the Google Play Store in Ireland, with the average amount of total downloads per app.

### Trend

With the growth of streaming and virtual reality on video sharing sites such as YouTube, Facebook and Instagram, the acoustics of a room are becoming more of a prevalent necessity. Especially since YouTube have recently started allowing streaming from mobile devices. The trend for acoustic measuring equipment is increasing as an alarming rate, due to this. Because major companies are rather secretive of their statistics and figures (e.g. Google), it is impossible to estimate to exact amount this has increased or its forecast.

### Size & potential

Extensive research dictates that Android applications on the Google Play Store are worth more than €1.3 billion on an (Republic of) Ireland region. The survey is based on research on the costings of applications on the Google Play store, as well as their popularity.

### Competition

The Google Pay Store has very limited applications relating to measuring the acoustics of a room or area. With the applications that do deal with measuring the acoustics, the applications themselves are very poorly designed with an extensive amount of errors within those apps. With the little competition that there is, it’s doubtful that this will impact on the promotor’s business much.

### Customers

The customers will be generated when they purchase the application from the Google Play Store. With the customer feedback and the statistics from Google Developers, the promotors will be able to see how the application can be developed further to progress with the promotor’s business.

### Structure

### SWOT Analysis

#### Strengths

The promotors have long been creating minor apps by themselves. The promotors have worked together or in similar areas for more than 5 years.

The company is currently located in the IFSC, Dublin 1. This is a favourable location with many businesses and major companies nearby. It is on the LUAS Red Line, with the Green Line extension, more potential customers and businesses can find the business in an easy manner.

The promoters have a proven track record in their ability to produce, on time and to budget the specialist products as required by the promotor’s customers and recognise the importance of meeting deadlines within the overall context of creating and producing mobile applications.

#### Weaknesses

Financial resources are quite limited, but this Business Plan details the requirements, resources and the “why” as to the reasoning why this Project is a good opportunity. Funding will be from a few sources, with the potential of being rejected.

#### Opportunities

While the current plan is to create one application for the moment, it is planned to start improving that application and to create other applications when funding becomes available.

#### Threats

The Project’s most single threat is if a major company creates a very similar app before the promotors have the chance to promote theirs. But with extensive research, companies do not seem focused on this, and are focused more on the likes of Virtual Reality and Smart Glasses.

# Section 4

## Market Strategy

In order to achieve out Sales target, the following strategy has been devised:

### Objectives

* To achieve a profit of 2.5% return on Sales by year 1.
* To achieve a 4% share of the identified market by the end of Year 2.

### Product

### Price

Selling is dealt with Google through the Google Play Store. Currently, the promotor’s app is being sold at €4.25 per download per user.

### Place

### Promotion

# Section 5

## Organisation / Management

### The Organisation

Audiotronics Limited is a private limited company with all shares owned in equal measures by 5 primary promotors. The organisation deals specifically with producing applications for Android devices, specialising in sound management and sound production. A copy of the Certification of Incorporation is appended and a copy of the Memorandum and Articles of Association will be made available to the Bank in the normal course.

### Management Overview

The composition of the team is vital as everyone has known each other for a number of years and are comfortable in working with each other. The likes of Colin Allen’s education in Accounting really grounds Cedric Vecchionacce and Patrick Lawlor, who are in Marketing. Keith Feeney works closely with Fearghal McMorrow to keep track of on-going projects and to resolve any issues the team have but also ensures the team are in good spirits and to keep them motivated.

The combination of the expertise of the promotors has given the way for a relaxed division of responsibilities as detailed below.

C. Vecchionacce – Managing Director

**Sales & Marketing**

* Master’s Degree in Business Analysis
* BSc (Honours) in Marketing
* 6+ years working experience
* Health & Safety Training
* Personal and Professional Development training
* Interpersonal skills

Cedric Vecchionacce has worked for some major companies including Facebook. Facebook is currently thriving. Cedric was one of the people who suggested to have ads in the Facebook newsfeed.

P. Lawlor – Vice-President

**Marketing Analyst**

* Master’s Degree in Marketing
* BSc (Honours) in Business Development
* 8+ years working experience
* Excellent communication skills
* 3+ years’ voluntary work experience

Patrick has worked for the likes of Intel and Facebook. Patrick has analysed the market around Facebook and its competitors for a number of years.

K. Feeney – Vice-President

**Humans Resources**

* BSc (Honours) in Communication Skills
* Higher Certificate in Business Analysis
* 5+ years working experience
* Excellent interpersonal skills
* Demonstrates a high level of integrity, confidentiality and fairness

Keith has worked for Amazon for a number of years. Keith has dealt with employee relations, payroll and training at Amazon’s Ireland offices.

F. McMorrow – Vice-President

**Production & Operations Manager**

* BSc (Honours) in Operations Management
* Higher Certificate in Production Management
* 7+ years working experience
* Excellent interpersonal skills
* Experienced in CNC and lean manufacturing

Fearghal has worked for LinkedIn and Amazon. Fearghal has been a Production Manager for a number of years and has managed an Amazon warehouse.

C. Allen – Vice-President

**Finance Manager**

* Master’s Degree in Finance
* BSc (Hons) in Accounting
* 9+ years working experience
* Excellent communication skills
* Demonstrates the ability to manage and grow finance teams

Colin has worked for LinkedIn for many years. Colin has contributed to keeping LinkedIn operating by correctly predicting the finances for the company. Colin is excellent in decision making.

Full Curricula Vitae for the promotors are included in the Appendices.

### Staff Requirements

|  |  |  |
| --- | --- | --- |
|  | Year 1 | Year 2 |
| Managing Director | 1 | 1 |
| Sales | 1 | 2 |
| Marketing | 1 | 2 |
| Human Resources | 1 | 2 |
| Finance Analyst | 1 | 2 |
| Programming Engineers | 0 | 2 |
| Apprentices | 0 | 2 |
| **Total:** | **5** | **13** |

Staff will be recruited from within the industry and through mutual acquaintances with at least 5 years in their field of expertise.

College work-placement systems will help recruit apprentices for on-the-job training and to see how the “real world” works. Quality and Qualifications Ireland (QQI) and the Department of Education will be assisting the business.

# Section 6

## Production/Operations

### Premises

### Plant & Equipment

### Operations Overview

# Section 7

## Costing/Finance

### Financial Assumptions

### Sensitivity Analysis

# Appendices

## Appendix A

### Financial Projections – Year 1 & Year 2

#### Profit and loss; Cash Flow

#### Balance Sheet

## Appendix B

### Certificate of Incorporation

## Appendix C

### Tax Clearance Certificate

## Appendix D

### Promotors’ CVs

## Appendix E

### Equipment Schedule

## Appendix F

### Typical Production Drawings

## Appendix G

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