**9 Finance**

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In this chapter I will discuss the following topics:

* Initial Expenditure
* Marketing
* Wages
* Projections & Sales

Within the financial sector of this project we knew that we would have to be smart with our money because as it stood we had a small idea that if implemented correctly, we would be able to make huge strides with so it was very important for us to get the finances correct and arrange them around having the least amount of expenditure whilst still having quality resources, and also still being able to make money over a period of time.

**9.1 Initial Expenditure**

After the wages were taken care of we then needed to start thinking about where we wanted our base of operations to be so that is where extensive research was put in, in order to find a work place located in the centre of Manchester and what was even more efficient was the cost of the place, per month including the use of a telephone line, gas and electric and running water, the grand total was £1600 a month which is a very good price especially when we considered where it was and how advantageous this position would be for us and the future of our product.

After figuring out where our base of operations was to be conducted we then needed to find vendors and reasonably priced sources of hardware to enable us to prepare and distribute our product to the general public. So we began by locating multi-faceted companies that could provide us with packaged to get out operations running smoothly and as efficiently as possible. Having considered the size of our team it would have been counterproductive to go with a company that only offered huge enterprise solutions for our needs so we had to look for something a little bit closer to home and that is what we did, we located a company that for the price of £833.33 a month would provide us with an extensive list of materials and hardware we required in order to perform tasks such as the web designing and maintenance, customer relations and so on and so forth (ask dale for a review on this particular section if needed)

The company provided us with the following to aid with the start up.

Computers

Printers

Chairs

The only thing we needed to outsource to a company who had a reputation that preceded them was for a server to store all our client information with secure connections at either end and also data related to the website, we had to do this simply because if we ourselves would have undergone doing this we’d have spent more money trying to get one server up and running and in that time we could have rented out 100 servers at 10 different server farms in the country, so for that reason alone we decided to outsource and this cost us the tiny sum of £9.95 a month which is a steal in the grand scheme of things.

After the tools where taken care of we then sorted out by locating a validated and reliable vendor for the pen drives and we did so via using the alababa.com services and was able to acquire 1000 pen drives for £117.50 and we based our goals­­­ around selling the pen drives by the thousand a month. This seemed like a good starting point for the company and the sale goal as it would allow us to have enough pen drives to keep up with demand providing there is one and also allow for the possibility of quick sales if the idea flopped and proved insufficient for what the people want.

After locating the vendor for the pen drives we needed packaging materials and we went with a hassle free approach and used a bubble wrapped package in which when the tools are loaded on the pen drive th­­­­­ey would be simply put in to the wallet and stamped with a shipping address and sent away, the bubble wrap ensures safe travels whilst in transit from us to the buyer. The envelopes cost us £13.33 and again that is for the sum of 1000 envelopes.

One final but crucial part of the resources needed in order to allow us to move forward with the product was as SSL certification from a reliable and credible vendor, this certification would allow us to give our customers peace of mind when it comes to any purchases that would be made online.

The SSL certification not only secures personal information about our clients but also ensures that no malicious entity can snoop on what it is the customer is buying nor will they be able to access information such as user logins or emails as easily as it would be without it, we have employed this to let the customers know we are serious about keeping their information safe and that we value their custom very much so.

The price for the SSL certification is £129 a year which when considering what it does it relatively cheap in comparison to a letter from a solicitor demanding compensation to a client for actions that have been taken upon them simply because of using our services, so we opted for the safe option and decided to employ this simple but effective counter measure.

**9.2 Marketing**

The next and most important part of this whole campaign would have to be the marketing aspect and we needed to ensure we got this right, so in order to give the marketer the freedom to really sell our product we allocated marketing £4166.66 a month and this was for advertising on billboards in central Manchester and around the area as well as ads online and via various social media websites that would allow such activities.

We also allocated £20,000 for a launching event that would span two days in total, further details should be located within the marketing aspect of this document, the two-day event will be primarily for showcasing the product and what it can do, who it’s for and we will be offering the business owners who show up to the event a free version of the tool so they can take it home and have their own demo of it in their own homes to truly see how effective something like this can be.

**9.3 Wages**

So to start out with we all needed to come to an agreement on what our labour costs were going to be and that was one of the most important aspects of this project as without us the product would not get to the market so in order to keep the balance and keep people happy we decided to pay each individual £30 p/hour but and they had the ability to choose when they wanted to work but we also set a condition that any individual would only be able to work a maximum of 3-4 days a week thus enabling the freedom for our colleagues to choose when they want to work and also dictate how much they want to earn a month.

Each individual earned £6,240 in the first year of the project development/marketing phase and in total for wages we used £62,400 which in turn used up just a little over a fifth of the overall budget for the first year.

The reason we had to set the bar so low in terms of wages to start out with was because in order for us to market our product effectively and also maintain a contingency plan if things did go south, this was one of the areas we collectively agreed on that we would make sacrifices on seeing the bigger picture later down the road when all the profits started rolling in and then our team members would get a completely different wage and may even include bonuses. This would be based off of the standalone wage of £520 a month then this would increase with a percentage of what the earnings where each month, making the overall bonus at the end of each year that much greater.

**9.4 Projections & Sales**

So now we come down to business and discuss the price of our product, we first needed to acknowledge what it was exactly we were offering the people and that was a new answer to privacy and a firm grasp of ones independence as citizens, we decided upon 7 tiers of the product ranging from the very basic password recovery tools, then we moved up to erasers and file shredders and so on and so forth, the very top tier allows customers to customize their own pen drive with whatever tools they desire all in one package, We decided to do it this way in an attempt to accommodate for every requirement a customer may have.

In our first year of sales we have an aim of making around £20,000 thousand a month to start out with but this is just a minimum figure and we expect it to be a slow start but then soon after the first year we would like to be making in the region of around £45-£50,000 a month after taxes, this is well within reach for our company taking in to consideration the type of product we are offering the people, in order for us to make that kind of money in the second year we would need to buy more pen drives but providing the business flourishes then we should be absolutely fine as we do not have any debt nor did we require to go in to debt for the launch of this product.

So in total there are 7 packages which each have their own price tag, package 1-5 cost £15, package 6 which contains every tool all in one pen drive cost £60, and package number 7 costs £17.50 and this is designed for people who only want specific tools putting on the pen drive, the £17.50 charge is incur every time a tool is added to the bundle so for example a customer would choose to get the wireless password recovery tool and the eraser tool on one pen drive instead of purchasing two separate pen drives, this would then equate to the cost of £35 for the pen drives then add another £2-£3 for postage and packaging thus having a total of £38 net.

We expected a slow start in terms of sales in the beginning but after the first 100 sales we are aiming for a steady incline in sales, this is displayed on the graph below and as you can see we exceeded our own target.