MY FIRST IMPRESSION

MFI

Ditch the ordinary, make your first impression extraordinary.

Student Name: Daniel Eshkeri

Student ID: 21534117

Course: Information Technology Management for Business

Module: Enterprise Business Development

Module Leader: Parisa Saadati

Due Date: 26/Jan/2024

Website: www.myfirstimpression.co.uk

Executive Summary

Mission Statement

Where job seekers shine and hiring teams win. Get noticed faster with an interactive resume that showcases your unique value proposition. Recruiters, gain deeper insights and streamline your selection process with comprehensive, digital candidate profiles.

Products

Interactive Digital CV – A new way for employers to get to know applicants. With interactive features and short video aspects. Say goodbye to the boring PDF and say hello to My First Impression. £40 - £99, minimal set-up, easily editable and interactive. The product offers a way for applicants to save time when applying for jobs and a way for employers to get a quick interactive summary/review of the applicant.

NFC Business Card – This accompanying product will allow the customer to quickly share their digital CV with a business card they can tap to the back of someone's smart phone which opens the site. Priced at £25.

Market

Graduates – are in the low-income band. They will be looking for a cheaper solution to get a good outcome.

Job hunters – are often in need of a job quickly as they will not want to spend a massive amount of time creating a highly bespoke CV. Showing them that they can quickly set up their My First Impression page will be beneficial to enticing their purchase.

Young entrepreneurs – are looking to show off their skills and talent. They want to stand out. Making it clear to them that this website is a great way to do that will help to persuade their purchase.

Market Size – 46.2 million people in the UK.

Operations

Production:

- Users enter details and pay, website automatically set up.
- Customer support available Mon-Fri, 9am-6pm.
- Program built with WebStorm, backend on Firebase.
- Firebase functions handle website setup and deployment.
- NFC cards produced by Tap Tag; design sent from us.

Facilities & Equipment:

- Computers with programming, spreadsheet, word processing software and internet.
- NFC card manufacturing outsourced.

Location:

- Currently home-based, remote hires planned.

- Future office in Hertfordshire near train station (if needed).

Suppliers:

- Google Firebase: hosting, database, storage, cloud functions.
- Tap Tag: NFC business card production and drop shipping.

Distribution:

- Website: www.myfirstimpression.co.uk
- Users edit website through built-in admin panel.
- NFC cards: available on website and distributed by Tap Tag.

Staffing:

- No full-time staff currently.
- Freelancers/contractors used for specific tasks (design etc.).

Table of Contents

Table of Figures

Company Details

Brief History of My First Impression

I bought the domain name "myfirstimpression.co.uk" in 2021 but I had no use for it. So, that domain sat doing nothing for a couple years, then in the summer of 2023 I started building small websites for friends and colleagues and I ended up making a CV site for myself. A few months went by and one day I had an idea to sell this CV site as a content editable site. Using a customised CMS, I had been developing that summer for the other websites I was coding.

Industry

This product will be entering the SaaS industry.

Values

Simplicity. Accessibility. Candor.

Vision

Long-term: To become the leader in quality, minimal set-up landing page websites.

Short to mid-term: To make the early stages of the recruitment process more interactive and interesting.

Mission Statement

Where job seekers shine and hiring teams win. Get noticed faster with an interactive resume that showcases your unique value proposition. Recruiters, gain deeper insights and streamline your selection process with comprehensive, digital candidate profiles.

Tagline

"Ditch the ordinary, make your first impression extraordinary."

Logo

Figure 1 – Logo 1

Figure 2 – Logo 2

Aims and Objectives

To have a functional, marketable, and sellable product by the end of April 2024.

To sell 1000 websites by the end of April 2025.

Milestones

Milestone	Date
Launch Website	30 April 2024
Launch Product	30 April 2024
250 Sales	31 July 2024
500 Sales	31 October 2024
1000 Sales	30 April 2025

Figure 3 – Milestones

The Owner and Key Partners

The Owner

Daniel Eshkeri

Responsibilities:

- Runing the day-to-day operations
- Building the product
- Marketing the product
- Managing the finances

Previous experience:

- Owner of Desca Web – Web Development Company
- Web designer at Theo Ruby Marketing – Digital Marketing Company

Educational Background:

- BSc Information Technology Management for Business – University of West London

Key Partners

Google Firebase:

- Hosting
- Database
- Image and Video Storage
- Authentication Services

JetBrains:

- WebStorm IDE

Eshkeri Consulting:

- IT Consultancy

Business Details

The Business Idea

Graduates and job hunters need a way to make a strong first impression to perspective employers. However, they don't have the time to make themselves a beautiful CV or portfolio website. This is where My First Impression comes in. Make a one-time payment and have a beautiful, easily editable CV website to show off to prospective employers.

Create a way for applicants to quickly create an interactive first impression experience showcasing the best parts of their CV and the most relevant experience and skills for the application. Using their LinkedIn Profile to extract the important information. The user only needs to select the relevant information for the application and record a 30-60 second video introduction, then the website will compile it into a 2-minute experience that a hiring team can view.

Business Model Canvas

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Google Firebase: - Hosting - Database - Image and Video Storage - Authentication Services JetBrains: - WebStorm IDE Eshkeri Consulting: - IT Consulting Open Source	Marketing Web Application Development Website Maintenance **Key Resources** Code Base Developers	Easily editable Minimal set-up Easily Sharable Showcase work/experience	Analytics Online Support **Channels** Website Social Media Word of Mouth Job Boards University Employment Fairs	University Graduates Job Hunters Young Entrepreneurs

Cost Structure	Revenue Streams
Website hosting and maintenance Marketing General Admin	Subscription Onetime payment NFC Business Card Revenue

Figure 4 – Business Model Canvas

Description of the product

Digital Interactive CV

A new way for employers to get to know applicants. With interactive features and short video aspects. Say goodbye to the boring PDF and say hello to My First Impression.

£40 - £99, minimal set-up, easily editable and interactive.

The product offers a way for applicants to save time when applying for jobs and a way for employers to get a quick interactive summary/review of the applicant.

During an application process the user has the option to add a My First Impression website to their application. When they employer goes to review the application, they are presented with the interactive summary experience, where they can swipe along to see different pieces of information from the applicant.

When the user purchases the website, they would login via LinkedIn, then a window would appear asking them what information they want to pull from their LinkedIn.

1. Summarize their about me section.
2. Do you want to record a 60 second video introducing yourself.
3. Which skills are applicable to this application?
4. Which experience is applicable to this application?
5. Which education is applicable to this application?
6. Which social links should be included?

In addition, they can make multiple instances of the site for different applications.

Figure 5 – MFI Digital CV

NFC Business Card

This accompanying product will allow the customer to quickly share their digital CV with a business card they can tap to the back of someone's smart phone which opens the site. Priced at £25. They can customize the look of the business card to their liking and decide which instance of their site they would like it to link to.
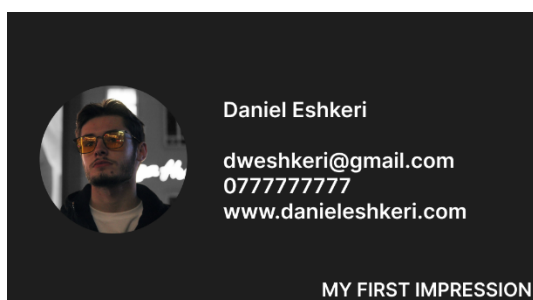
Figure 6 – NFC Business Card

Key Features and Benefits

- Cheap – £40 for 3 months, £75 for 1 year, £99 for lifetime.
- No hidden fees.
- Minimal set up required.
- Easily to edit the content with our editor.
- Can use information already available in the applicants LinkedIn profile.
- Links to social media accounts.
- Adds interactivity to the recruitment process.
- Helps recruiters to get to know the applicant quicker.
- Summary story feature for any hiring agent to quickly learn about the applicant in a fun and interactive way.
- Share Easily with NFC Card

Value proposition

Target Market

Job hunters, university graduates, and new entrepreneurs.

Why Us

Other competitors in the personal website industry offer clunky editing interfaces and are exclusively built on a subscription model. Whereas our websites are simple to edit and are a one-time payment.

People want a gorgeous website that is as easy to edit as it is to change your bio on LinkedIn.

These sites will urge employers to get to know the applicant by guiding them through an interactive summary, rather than skim reading a PDF.

Value Proposition Canvas

Figure 7 – Value Proposition Canvas

- Super low running costs.
- One employee, so no labour costs.
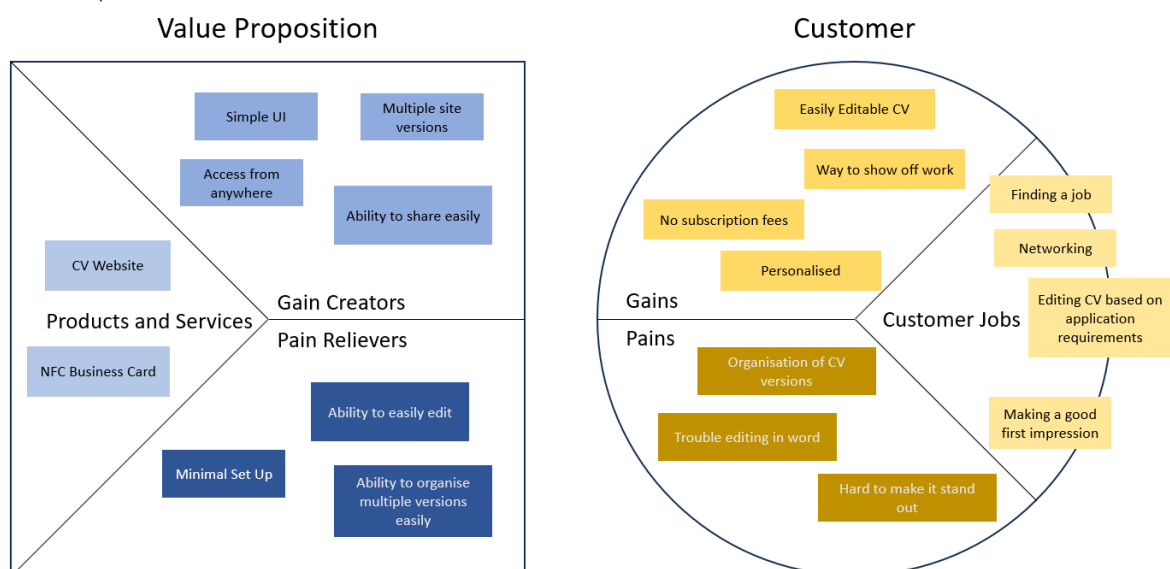- Owner is a student: has access to lots of potential customers.
- Lifetime payment option is very attractive to students.
- No one else is creating a story style summary of CVs.

Macro-Environmental Overview

A PESTEL analysis on the external environmental factors that can affect the company. The analysis outlines potential opportunities and risks for the company.

Political	**Governments are encouraging digital advancements** Many governments are actively encouraging tech start-ups and there are grants and government funding schemes for SMEs and start-ups. **Global regulations on software sales** The regulations on software sales vary depending on the industry and country they operate in. Currently software regulations are not standardized. The company will have to ensure that we in compliance with the regulations of the countries we are selling to. The biggest risk is in sales tax and exchange fees. **Government regulations on data privacy** Changes in regulations such as GDRP could have an impact on the way the company collects and uses customer data.
Economic	**Cost of living crisis** Those being affected by the cost-of-living crisis will be more hesitant to purchase products they view as necessary. Therefore, having a low-cost option should boost sales with that audience. **Digital businesses have lower costs than brick and mortar stores** The savings due to not needing a physical location to sell from will be beneficial to the company. The money saved on rent and staff can be spent on advertising. **Economic instability in emerging markets** Emerging markets could prove beneficial to sales if the company adjusts prices considering the economic conditions of specific markets. **Exchange rate fluctuations** When considering price changes, exchange rates and fees must be factored in.
Social	**Consumer preferences** The increasing demand for ease of use, accessibility, and mobile friendliness are forcing SaaS companies to optimize their products accordingly. **Greater understanding of digital solutions**

	People in general are becoming more competent with digital interactions, making it easier for them to adopt and use new interfaces and SaaS solutions.
Technological	**Mobile friendly design** Users expect to be able to use any digital product on their mobile devices. They will be able to create and manage their digital CV website on any device from anywhere with an internet connection. **Artificial Intelligence** Artificial Intelligence is sweeping the world. People believe that companies should be using AI to enhance their products. 70% of Gen Z use generative AI and 52% of them trust AI's output (Salesforce, 2023). **Uptime of hosting and database platforms** Hosting and database platforms run within the cloud. These are external servers maintained in large data centres. If these go down, then SaaS companies such as this could suffer with downtime of their products and services. **Online security** There is a growing awareness of online safety and security. The public is aware of the risks of cyberattacks. **Customers must have internet connection and a smart phone or computer.** This reduces the market size. However, many emerging markets are quickly getting internet access, so this will steadily increase the market size. **Use of social media as a pseudo-CV. Must integrate social media into the site.** People are already familiar with adding information to social media such as Instagram or LinkedIn. Therefore, the CV sites must integrate well with social media to pull information automatically to the site.
Environmental	**Sustainability concerns** The industry is conscious of the environmental impact large data centres have. Their use of energy and rare metals raise concerns about how sustainable they are and what kind of impact they will have on the Earth in the long term. In addition, the use of highly shareable digital CV can help to cut down on the amount people use paper CVs. Furthermore, the use of NFC business cards to easily share the digital CV in person can further reduce the need for paper CVs.
Legal	**Data Privacy** The company will have to comply with data privacy laws for the countries we operate in. Each country has slightly different data privacy laws and compliance to them is of upmost importance. We will need to collect personal information which will be stored on Google's cloud platform. To ensure we keep consumers trust and imped any data breaches we will need to make sure to adhere to data protection and privacy laws.

	Intellectual Property
	Patents, copywrites, trademarks, and trade secrets are all examples of intellectual property. Using someone else's intellectual property for your business dealings is illegal and could have massive financial and reputational repercussions for the business if we were found to be infringing upon them. Therefore, prior to development of a new brand asset or product, a thorough IP clearance search is conducted to avoid potential infringement.

Figure 8 – PESTEL Analysis

Market Analysis

Market Segmentation

Market Segmentation	Geographic	Demographic	Psychographic	Behavioural
Segment 1 **The Graduate**	Worldwide	Male or Female Ages 18 – 26 Married or Single Low Income Just graduated or about to graduate.	Wants a way to show off their work. Might not have a CV or LinkedIn yet.	Desires to not have another subscription fee. Uses their CV often.
Segment 2 **The Job Hunter**	Worldwide	Male or Female Ages 28 - 55 Married or Single Low to Mid income Just made redundant or deciding to change careers.	Wants to find job quickly. Probably already has a CV or LinkedIn.	Desires to have a simple set up. Uses their CV often.
Segment 3 **The Young Entrepreneur**	Worldwide	Male or Female Ages 18 – 30 Married or Single Low income Works for themselves	Entrepreneurial Bold. Wants to stand out from the pack. Interest in technology.	Desires a way to show off. Would use mostly at networking meetings.

Figure 9 – Market Segmentation

Purchasing Decisions of Segments

Graduates – are in the low-income band. They will be looking for a cheaper solution to get a good outcome.

Job hunters – are often in need of a job quickly as they will not want to spend a massive amount of time creating a highly bespoke CV. Showing them that they can quickly set up their My First Impression page will be beneficial to enticing their purchase.

Young entrepreneurs – are looking to show off their skills and talent. They want to stand out. Making it clear to them that this website is a great way to do that will help to persuade their purchase.

Market size

Estimates of 36.4 million graduates in the UK in 2023 (Fennell, 2023a).

9.8 million people in the UK looking for their next opportunity whilst in their current role and 30% of them are active job hunters (Fennell, 2023b).

24,000 under 25s started a UK business in 2021 (Instant Offices, 2022).

46.2 million people in the UK market.

Industry Analysis

The company operates in the Software as a Service or SaaS industry which is currently growing and is mostly fragmented. As of 2023 the SaaS industry is estimated to be worth around £150 million (Vailshery, 2023) and is expected to grow. Some of the largest creators of SaaS applications include Oracle, Microsoft, Google, IBM, AWS, and Salesforce. The largest market by geography is the United States.

The greatest benefit of SaaS to the consumer is the accessibility of powerful applications without the need for powerful client-side hardware. As for the companies, they benefit from recurring subscription fees.

The SaaS industry has a strong focus on user centric and mobile friendly design. SaaS companies aim to optimise the user experience of their interfaces. Ensuring that information is clear, navigation is simple, and mobile functionality is explementary. In addition, the use of AI has grown exponentially over the last few years. AI software revenue in 2018 was estimated at £7.45 billion and is expected to grow to £93.14 billion by 2025 (Page, no date). My First Impression can leverage this growth by adapting current AI models to add extra functionality to our websites.

Portor's Five Forces

Threat of New Entrants	The threat of new entrants is very high. Time and cost of entry is low as anyone can build a could application using cheap or free services such as Firebase or AWS. The knowledge of how to do this is easily accessible and many people can learn how to code through resources such as Stack Overflow or YouTube. Furthermore, scaling SaaS applications on large cloud platforms is simple and straight forward.
Threat of Substitutes	The threat of substitutes is high as many SaaS products offer free trials and have initiative documentation to help users get started using their application.
Bargaining Power of Buyers	The bargaining power of buyers is high due to free trials and monthly rolling contracts. Free trials allow customers to experience the software before committing to a purchase and monthly contracts allow customers to switch to another software quickly and easily.
Bargaining Power of Suppliers	The bargaining power of suppliers is low, it is relatively easy to switch cloud providers. In addition, large scale cloud providers like Google Cloud, AWS, and Microsoft Azure offer pay-per-use which allows applications to scale according to usage. Saving money during downtime and scaling automatically to meet demand.
Competitive Rivalry	Competition is very high in the SaaS industry. There is competition between the large cloud providers and amongst small SaaS start-ups. Prices have continued to fall because of growing competition in the space. In addition, many companies offer freemium versions of their software to boost word of mouth. They can do this because of the low cost associated with hosting on cloud platforms. To stand out the in SaaS industry you must deliver a top-quality product that solves real problems at an affordable price with as close to 100% up-time as is possible.

Figure 10 – Portor's Five Forces

Competitor Analysis

Below is a detailed analysis of some of the main competitors of My First Impression. These include, Indeed, LinkedIn, Squarespace, and WIX.

		Indeed	LinkedIn	Squarespace	WIX	My First Impression
Profile	Overview	Employment Website	Social Media Platform for Professionals	Website builder and hosting platform.	Website builder and hosting platform.	CV Website Hosting Platform
	Competitive Advantage	Aggregated listings. Free to use. Targeted advertising.	User base of professions, network groups, and career related content.	Drag and drop website building. Templates. E-commerce functionality. Marketing features.	AI powered design assistant. Large plugin market. Accessibility features. Flexible pricing plans.	Lifetime plan. Simple and quick set up. Super low running costs. One employee, so no labour costs. Access to lots of potential customers. Unique product.
Marketing Profile	Target Market	Job seekers. Employers.	Professionals of all levels. Businesses looking to employ.	Individuals. Small businesses. Bloggers/content creators.	Individuals, small businesses. Educational organisations, and non-profits.	Job hunters. Graduates. Young entrepreneurs.
	Marketing Strategies	SEO and content marketing. Paid advertising. Employer branding.	Organic content marketing. Advertisements.	Social media marketing. SEO and content marketing. Influencer marketing.	Social media marketing. SEO and content marketing. Influencer marketing.	Social media marketing. SEO and content marketing.
Product Profile	Products and Services	Job listings website. Resume building. Company reviews.	Freemium App.	Website builder. E-commerce tools. Domains and hosting. Marketing tools.	WIX editor. WIX ADI. WIX Plugin market. Hosting and domains. E-commerce tools.	Digital CV experience website. NFC Business card.
	Pricing and Costs	Free for job seekers. Paid options for employers.	Premium subscription: £30 – £100 per month.	Subscription per month: Personal: £12 Business: £17 Commerce: £23 Advanced: £35	Subscription per month: Light: £7.50 Core: £14 Business: £20 Business Elite: £120 Enterprise: Given on enquiry.	6 months: £40 1 year: £75 Lifetime: £99
	Distribution Channels	Website. Mobile app. Partnerships. Job boards and aggregators.	Website and mobile app.	Website. Affiliate Marketing. Online advertising.	Website. Affiliate marketing. Online advertising.	Website.
Strengths and Weaknesses	Strengths	Market leader. Data analytics. Free service.	Dominant market position. Large user base. Continuous product development.	User-friendly. Easy to learn. All-in-one solution. Scalable. Brand reputation.	Easy to use. AI-powered design assistant. Affordable. Plugin market. Scalable.	Quick and simple set up. Very affordable. No need to be tech savvy.
	Weaknesses	Reliance on third-party listings. Revenue dependence on employers.	User data privacy concerns. Competition from niche platforms. User fatigue from excessive sales outreach.	Limited customization. Higher pricing compared to self-hosting.	Limited customization. Potential vendor lock-in. Less control over SEO.	Very limited customization. Lack of brand reputation. Lack of industry experience.

Figure 11 – Competitor Analysis

Marketing strategy

We will employee multiple marketing strategies to gain more customers. We will use social media marketing on LinkedIn as well as advertising on job boards. Furthermore, we will use our knowledge of SEO and content marketing to gain organic traffic to our website. Additionally, we will have an email marketing list to push offers and informational blogs to customers. SEO and email marketing will be utilised the most as the cost is low. Lastly, we will find relevant influencers who target similar audiences to us to market our brand through their platforms.

Marketing Mix

Product	Digital CV Experience Website NFC Business Card
Pricing	6 months: £40 1 year: £75 Lifetime: £99 NFC Card: £25
Promotion	Social Media Advertising. Influencer marketing. Word of mouth. Content marketing. SEO.
Placement	Online – Worldwide

Figure 12 – Marketing Mix

Operations plan

Production

Digital CVs will be automatically set up for a user after they have entered their details and made payment. A user will enter their details on the website to purchase a CV site. After payment comes through, the website will be set up automatically and the user will be sent instructions for how to login. Customer support calls and chats will be available 5 days a week, Mon-Fri, 9am to 6pm.

The program will be created using Webstorm Jetbrains IDE with the backend running on Firebase Google Cloud servers. Firebase cloud functions written in Node JS will handle the automatic set up and deployment of websites. Firebase authentication will set the user up with a profile and send them the instructions email. After which users will be able to access their brand new My First Impression Digital CV.

The NFC Business Cards will be produced by a third party called Tap Tag, who will also deal with the delivery of the cards. From our side, the customer will send us the design they want, and we will pass that onto Tap Tag.

Facilities and Equipment

As this is a SaaS company, the only equipment we need are computers with the capability to run programming software, spreadsheet software, word processing, and our browser of choice (Google Chrome) and an internet connection.

The manufacturing of the NFC Business Cards will be handled by an external supplier.

Location

The business has started from my own home office. Any hires will work remotely to save costs. If the company grows, we will investigate renting a small office space in Hertfordshire. As it would be located close enough to my home office for me to drive there. Ideally, we would rent a space that is only a walk away from a train station.

Suppliers

The main supplier is Google's Firebase which is crucial to the success of this business. It enables us to host websites cheaply. It also serves as the database and storage for the websites. In addition, Firebase's cloud functions will enable the product to work without any developer interaction. If Firebase were to be discontinued by Google, we could switch our hosting providers and database and storage client, potentially with minimal downtime as most of the code would already be written.

The supplier for the NFC Business Cards is Tap Tag (https://taptag.shop/pages/white-label-nfc-items-digital-business-cards). They offer a drop shipping service. Allowing us to send them the user's design and website link and they will program the card and ship it directly to the customer.

Distribution

The My First Impression Digital CV will be exclusively available at www.myfirstimpression.co.uk. The customer will not have access to the code base of their website but will be able to login to their website and edit it through the built in admin panel.

The NFC Business Cards will be available at www.myfirstimpression.co.uk and will be distributed through our third party provider.

Staffing Requirements

As of current, we are not looking to hire any full-time staff. However, we will use freelancers and contractors to do small one-time jobs such as logo and brand graphic designs.

SWOT Analysis

Strengths	**Low Operations Costs** This company is a SaaS company, and the deployment of new websites are completely automated using Firebase Cloud Functions. As a result, the cost of operations and distribution is low. **Low Labour Costs** We save money on labour cost by not employing any full-time employees and instead using freelancers and consultants for single time jobs. **Unique Idea** No one has created this before. It is designed for simplicity, ease of use, and accessibility. **High Profit Margins** The low-cost nature of the business means we have high profit margins, which will allow us to grow quickly and invest in marketing.
Weakness	**Low Starting Capital** Strategies such as word of mouth marketing will be employed in the early stages of the business to gain some initial capital to invest more in other marketing methods. **Low Brand Awareness** The company currently doesn't have an established brand. We will try to build brand recognition with bold slogans and social media advertising. **Increasing Marketing Cost Industry Wide** SaaS companies spend a massive amount on marketing as they do not have a physical product that can be displayed in a store front. Due to this, the cost of marketing has steadily been growing. This trend could affect My First Impressions profit margins.
Opportunities	**Downward Trajectory for Cost to Run SaaS Applications** While large cloud providers continue to benefit from economies of scale, we can take advantage of the lowering cost of hosting websites and running databases. **International Emerging Markets** In markets such as India and Africa, many people are getting computers and internet connections. If we reduce our prices for those markets and target our advertising, we could gain a good market share.
Threats	**Large Competitors Dominating the Market** Companies like LinkedIn and WIX are currently domaining the CV and website markets. However, the My First Impression Digital CV benefits from being a niche product in a wide market. **Many Smaller Competitors Filling Many Niches** There are many small companies creating lots of different SaaS products. There are several small SaaS businesses selling CV generators. Although they often suffer from the same problems as PDF CVs in that they are not interactive.

Figure 13 – SWOT Analysis

Contingency plan

If things don't work out as planned, we will first reduce spending on advertising, specifically influencer advertising as it's the most expensive. Then, we will cut LinkedIn advertising and we will just rely on email marketing, word of mouth, content marketing, and SEO because these are cheap/free.

If I cannot maintain paying for content or email marketing, I will stop those, then I will set limits on currently running websites, so they don't get over utilised and go above the free firebase quota. This will ensure that none of the websites I am running will cost me anything. After which I will leave the main site up for potential customers to still purchase 6- or 12-month plans (the lifetime plan will be removed to avoid any more long-term commitments). This should allow me to have virtually zero cash outflow while still being able to take new customers.

Financial plan

Start-up Costs

The startup costs of My First Impression are in the table below. The total start-up cost is £4,460.

Start-Up Costs | Single Time Costs | First Year	£
Computer equipment (Gift from family)	-
Logo Design	100.00
Company House Admin Fees	10.00
Trademark	170.00
Patents	4,000.00
Telephone number	180.00
Software (IDE, Firebase)	-
Total	**4,460**

Figure 14 – Start-up Costs

Cost of Sales

Cost of Sales – 1000 Sites	£
Hosting Expenses	10
3rd Party Software	114.29
DevOps Employees	-
Professional Services Employees	-
Customer Support Employees	-
Cost of goods sold per 1000 sites = £124.29	
1000 sites| 200 - £40 per | 600 - £75 per | 200 - £99 per Revenue = 8,000 + 45,000 + 19,800 = 72,800	

Gross Profit: 72,800 – 124.29 = 72,675.71   **Gross Profit Margin - 99.83%**

Figure 15 – Cost of Sales

Fixed and Running Costs

Fixed Costs

Category	Cost Per Period (£)	Frequency
Domain Name	10	Yearly
Mailchimp	124.68	Yearly
Company Email	120	Yearly
LinkedIn Advertising	3,600	Yearly
Influencer Marketing	6,000	Yearly
Total Per Year	9,854.68	

Figure 16 – Fixed Costs

Running Cost

Assuming 1000 running websites.

Category	Subcategory	Cost Per Unit/Subscription (£)	Units/Subscriptions Used	Total Cost (£) (Monthly)
Cloud Storage	GB Stored	0.02/GB	50GB	1
	Bandwidth	0.094/GB	50GB	4.7
Database	Document Reads	0.027/100k reads	50,000 reads	0.0135
	Document Writes	0.082/100k writes	10,000 writes	0.0082
	Document Deletes	0.009/100k deletes	1000 deletes	0.00009
Hosting	Storage	0.02/GB	50GB	1
	Data Transfer	0.12/GB	0.05GB	0.006
			Total/Month/1k Units	£6.73
			Total/Month/1 Unit	£0.00673
			Total/Year/1 Unit	£0.08076

Figure 17 – Running Costs

Break Even Point Analysis (yearly)

Break-even point (units) = Fixed costs / (Price per unit - Variable cost per unit)

Without start-up cost. Assuming all sites sold in the medium bracket:

9,854.68 / (75 – 0.08076) = 131.5 (132 units)

With start-up cost. Assuming all sites sold in the medium bracket:

(4,460 + 9,854.68) / (75 – 0.08076) = 191.07 (192 units)

With start-up cost. Average sales price over all brackets:

(4,460 + 9,854.68) / (66.3 – 0.00673) = 216.17 (217 units)

Pricing Strategy

Cost Price Per Unit	Cost price per unit = (Total fixed costs + Total variable costs) / Total units produced Total units produced = 1000 Total fixed costs = 9,854.68 Total variable costs = 0.00673 * 12 = 0.08076 (9,854.68 + 0.08076) / 1000 = 9.85476076 **Cost price per unit = £9.85**
Selling Price Per Unit	£40 – 6 months £75 – 1 year £99 – Lifetime
Profit Per Unit	Profit per unit = Selling price per unit - Cost price per unit Low-tier = 40 – 9.85 = 30.15 Mid-tier = 75 – 9.85 = 65.15 High-tier = 99 – 9.85 = 89.15
Profit Margins 1000 Sites Sold	Gross Profit Margin = (Revenue - Cost of Goods Sold) / Revenue x 100% (72,800 - 124.29) / 72,800 * 100% = 99.83% **Gross Profit Margin = 99.82%** Operating Profit Margin = (Revenue - Cost of Goods Sold - Operating Expenses) / Revenue x 100% (72,800 – 124.29 – (9,854.68 + 0.08076)) / 72,800 * 100% = 86.3% **Operating Profit Margin = 85.7%** Net Profit Margin = (Revenue - All Expenses) / Revenue x 100% (72,800 – 124.29 - 9854.76 - 4,584.29) / 72,800 * 100% = 79.99% **Net Profit Margin = 79.99%**

Figure 18 – Pricing Strategy

The tiers are priced in a way to encourage customers to "climb" the price ladder. I do this by having a small saving from the low to mid-tier, then a large saving from the mid to high-tier.

Financing

As the cost to start is relatively low, the initial capital will come from the founder. We intend to raise capital by using word of mouth, SEO and content marketing (all free forms of advertising) to sell our first few digital CVs. Then we can branch out into influencer and LinkedIn marketing to raise more capital, to then take a profit and fund more advertising.

References

Salesforce (2023) *New AI Usage Data Shows Who's Using AI — and Uncovers a Population of 'Super-Users'.* Available at: https://www.salesforce.com/uk/news/press-releases/2023/09/08/ai-usage-research/ (Accessed: 21/12/2023)

Fennell, A. (2023a) *Graduate Statistics for the UK.* Available at: https://standout-cv.com/uk-graduate-statistics (Accessed: 23/12/2023)

Fennell, A. (2023b) *Job Search Statistics in the UK.* Available at: https://standout-cv.com/pages/job-search-statistics-uk (Accessed: 23/12/2023)

Instant Offices (2022) *Young entrepreneurs.* Available at: https://www.instantoffices.com/blog/featured/young-entrepreneurs/ (Accessed: 23/12/2023)

Vailshery, L.S. (2023) *Public cloud application services/software as a service (SaaS) end-user spending worldwide from 2015 to 2024.* Available at: https://www.statista.com/statistics/505243/worldwide-software-as-a-service-revenue/ (Accessed: 26/12/2023)

Page, J (no date) *How AI is Revolutionizing the SaaS Industry.* Available at: https://www.saasacademy.com/blog/artificial-intelligence-saas-industry (Accessed: 26/12/2023)