Business Plan

BookWorm, LLC

Jake O'Connor

UAT MS559

Assignment 3

Business Description

BookWorm, LLC is a software service company focusing on technology services and software for libraries, librarians, and teachers. The primary services provided by BookWorm, LLC are the automatic calculation and conversion of book reading levels in the dozen various reading level systems used. These services use artificial intelligence to make accurate predictions of reading levels and link to the existing APIs for most popular library management systems.

Company Designation

BookWorm, LLC is registered as a limited-liability company. Due to its small size and limited need for expansion, the LLC designation makes the most sense currently. With an expected three founders and primary operators, under a dozen employees, and no expectation of IPO, the LLC designation offers the right combination of simplicity and protections for the company. If the need arises to grow in unprecedented or unexpected ways, it would be simple to rebuild BookWorm, LLC as a C- or S-Corporation.

Co-Founders

There are three main aspects necessary in BookWorm, LLC's success: the identification of customer needs, the creation of reliable software, and the effective distribution of software products. It goes to follow that three co-founders make the most sense for BookWorm, LLC. A co-founder from a background in public or private librarianship will offer the company a strong sense of the industry being targeted. A co-founder from a background in software engineering will offer the company a strong foundation of quality software architecture. A co-founder from a background in sales and marketing will offer the company a strong sense of how best to generate sales with schools, libraries, and other

organizations. Three co-founders with disparate backgrounds and a shared vision offer the best combination of co-founders for BookWorm, LLC to be successful.

Production/Service Plan

The small scope of BookWorm, LLC means that the team can be equally small, and as labor costs are generally the highest of all business costs this means the overall costs for BookWorm, LLC can be kept in check easier. For initial production of software and integration with third-party library management systems APIs, a small development team of two software engineers and a single UX designer will be adequate. A sales team will be comprised of three salespersons initially, managed by the sales-oriented co-founder, and will work to market and sell BookWorm, LLC products and services to schools, libraries, and organizations. Lastly the library team will be comprised of the single library-background co-founder and will act in a guidance capacity for the growth of solutions and services offered by the company.

With all these employment costs combined, BookWorm, LLC is expected to have a yearly labor-only operating cost of nearly $725 thousand when at maximum staff. This is in addition to variable rent costs based on office location, utilities, business expenses such as payroll, tax preparation, and taxes, as well as costs and fees associated with third-party library management software and licenses for proprietary book reading level systems.

Financing Plan

The initial size of BookWorm, LLC can be incredibly small while still being effective at creating and delivering products and services, which means it would be possible to bootstrap the initial startup financing. Aside from bootstrapping, both small business loans and grants are reasonable expectations for BookWorm, LLC. Small business loans offer the most flexibility for funding of the company, and due

to the simplicity of the concept, thorough planning, and relatively small ask should be simple to acquire.

In addition to bootstrapping and small business loans, the adjacency of BookWorm, LLC to the education

and public service sectors makes securing government grants a possibility. Though grants should never

be relied upon as a primary source of funding, it would be irresponsible not to apply for grants which are

applicable to the company and its services.

Organizational Structure

As BookWorm, LLC has three distinct co-founders and aspects of work, it makes sense for the

company to have a functional-style organizational structure. One functional group, the development

team, is responsible for the creation, upkeep, and integration of BookWorm, LLC software and services.

The second functional group, the sales team, is responsible for the marketing, advertising, and direct

sales of the company's products to schools, libraries, and organizations. The third functional group, the

library team, is responsible for identifying and analyzing unfulfilled needs in the public and private

library sectors that the development team can act upon by creating new products. The three functional

groups all play integral roles in the success of BookWorm, LLC, but their duties are distinct from one

another which makes a functional structure applicable.

References

Accion Opportunity Fund. (n.d.). *Legal Structure of a Business*. Accion Opportunity Fund.

https://aofund.org/resource/legal-structure-business/.

Indeed Editorial Team. (2021, May 21). *10 Types of Organizational Structures (With Pros and Cons)*.

Indeed Career Guide. https://www.indeed.com/career-advice/career-development/types-of-

organizational-structures.

Indeed. (n.d.). Librarian Salary in Seattle, WA.

   https://www.indeed.com/career/librarian/salaries/Seattle--WA.

Indeed. (n.d.). Salesperson Salary in Seattle, WA.

   https://www.indeed.com/career/salesperson/salaries/Seattle--WA.

Indeed. (n.d.). Software Engineer Salary in Seattle, WA. https://www.indeed.com/career/software-

   engineer/salaries/Seattle--WA.

Indeed. (n.d.). User Experience Designer Salary in Seattle, WA. https://www.indeed.com/career/user-

   experience-designer/salaries/Seattle--WA.

Motola, P. by: C. (2021, May 12). *23 Smart Ways To Finance Your Startup Or New Business In 2021*.

   Merchant Maverick. https://www.merchantmaverick.com/finance-a-business-start-up.