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BUSINESS PLAN

OCC 4

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Table Of Contents

1.0 Executive Summary	2
2.0 Company Overview	3
3.0 Operational Plan	4
3.1 Operational Objectives	4
3.2 Business Hours	4
3.3 Process Flowchart	6
3.4 Operating Personnel	7
4.0 Marketing Plan	8
4.1 Target Market	8
4.1.1 Demographic	8
4.1.2 Geographic	9
4.1.3 Psychographic	9
4.2 Marketing Strategy	9
5.0 Financial Plan	11
5.1 Sources of Finance / Funds	11
5.2 Pro Forma Forecasted Income Statement For 3 Years	12
5.3 Pro Forma Forecasted Balance Sheet For 3 Years	13

1.0 Executive Summary

VARmed (MR) is a device with a built-in app that immerses the medical experience. MR stands for mixed reality which combines augmented reality (AR) and virtual reality (VR). We provide computer generated environments related to healthcare such as live surgery situations. We focus on real life scenarios that include the application of the physical world via digital visual elements, sound and sensory stimuli delivered by VARmed technology. We also provide quality education through digitised 3D graphics available in our app. We aim to penetrate the healthcare and education market since our target users are healthcare practitioners, medical students, and students who take biological subjects or anatomy related courses. As the first company in the world to sell these services, we will be able to capitalise in this digital age and fill a gap in the medical industry. We aim to start off by selling to select universities in order to test and survey the responses towards our products. As demand for our product grows and our company grows larger, we would be able to expand our services to the whole world. We are equipped with knowledgeable, skilled experts in their own fields to ensure our company is able to take off and reach the eyes of the world.

2.0 Company Overview

Our company, named VARTECH, mainly focuses on building new high-technologies using Mixed Reality (MR) which is a combination of Virtual Reality (VR) and Augmented Reality (AR). Our first launched product which we called VARMED, is a hololens device with a built-in medical-related app. VARMED is created specifically for those who are in medical related industries like healthcare practitioners, medical students and so on.

VARMED used a new reality which we called Mixed Reality (MR). MR combines augmented reality (AR) and virtual reality (VR). Before we explain further, let us briefly explain what AR and VR are. AR enhances the real physical world by utilising digital visual elements such as sounds and text while VR provides a computer generated environment that stimulates the reality of healthcare environments such as high risk surgery.

MR, a hybrid of AR and VR, will combine real world and virtual world at the same time and create a virtual environment that allows the user to experience real situations such as performing a surgery in the operation theatre. This is a very practical and efficient technology that will be a life saver for medical students and for healthcare practitioners during their

industrial training as it can help them to improve their skills. Both parties can access VARMed at any time and from any location, which is convenient for them. So, medical students will be able to learn without having to visit the surgery hall, which sometimes requires them to take turns visiting one procedure. Our device is also targeted to those who prefer visual learning techniques. This product is special as it uses a new reality which is not that widely used compared to VR and AR.

Our company chose to pursue a new reality, MR, other than well-known existing realities, AR and VR because there are only a few products produced from MR for now. We believe that when running a successful technology organisation, it is essential to introduce new technologies as the world progresses.

3.0 Operational Plan

In any business, operation plans are vital as they play a major role in structuring the layout of the business. With VARMed, we aim to provide quality and astonishing products that would meet our customer's requirements. Hence, we have constructed an operational plan which we believe would help run the business in an orderly manner.

3.1 Operational Objectives

Below are some of the objectives for VARMed's operational plan :

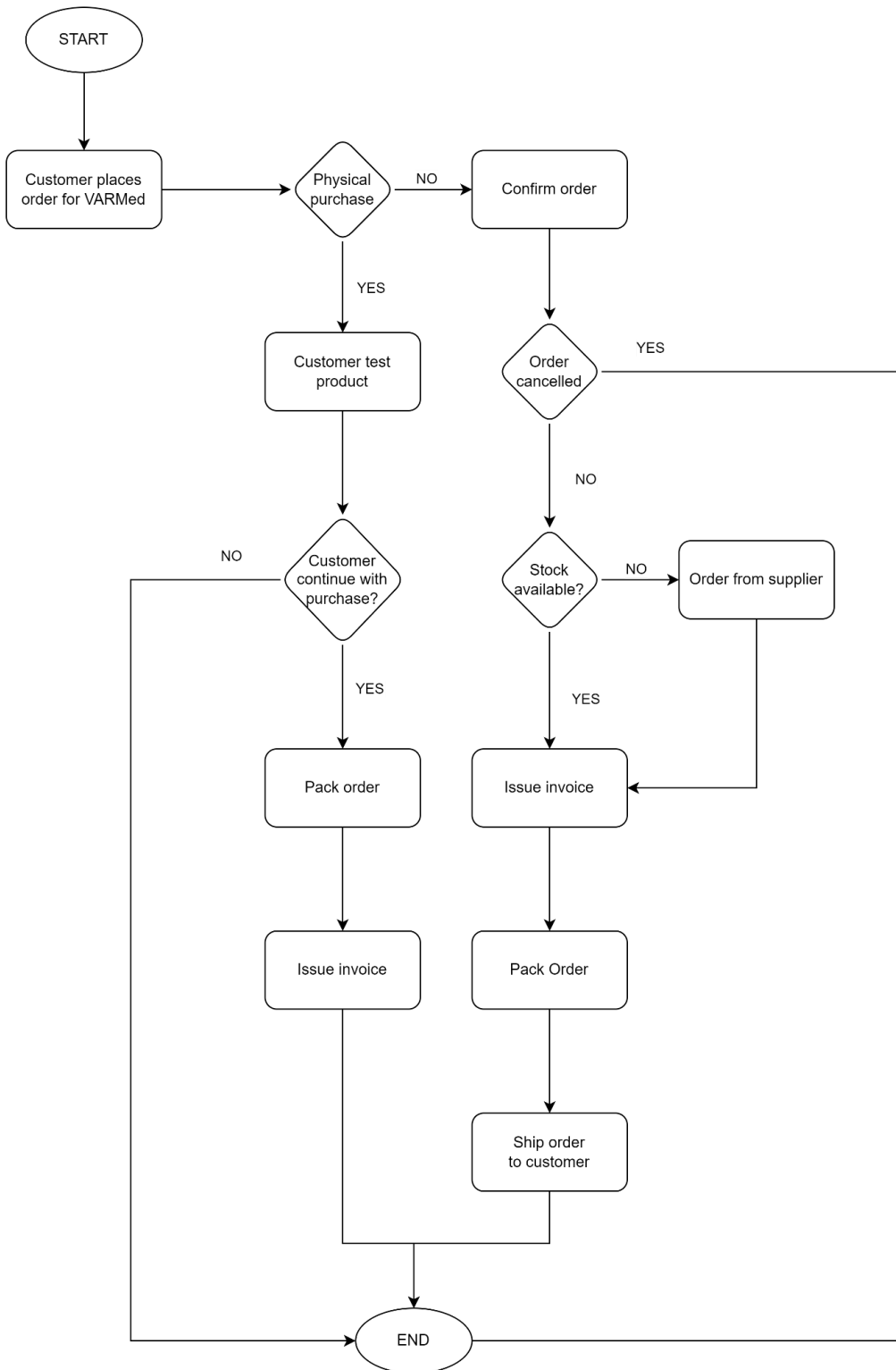
- To establish a business that flows smoothly
- To ensure the retainment and maintenance of our products is in a proper manner
- To distribute products of the highest level for customer satisfaction
- To form a consistent and stable range of product delivery

3.2 Business Hours

This business operates 5 days a week, starting Monday to Friday from 9.00 a.m. to 4.30 p.m. for physical services such as arrangement of products, packaging, stock checks and shipping. For online services such as online purchases and product booking, the business operates 7 days a week for 24 hours from Monday to Sunday.

Services	Business Hours	
	Day	Operating Hours
Physical Services	Monday – Friday	9.00 a.m. to 4.30 p.m.
Online Services	Monday – Sunday	24 Hours

3.3 Process Flowchart



3.4 Operating Personnel

POSITION / NAME	MONTHLY SALARY	EMPLOYEE'S DEDUCTION			TOTAL DEDUCTION	NET MONTHLY SALARY	EMPLOYER'S DEDUCTION	
		EPF	SOC SO	INCOME TAX			EPF	SOC SO
		9%	3%	1%			13%	3%
	RM	RM	RM	RM	RM	RM	RM	RM
General Manager	7300	657	219	73	949	6352	949	219
Finance Manager	7150	643.5	214.5	71.5	929.5	6220.5	929.5	214.5
Marketing Manager	6913.5	622.2	207.4	69.1	898.7	6014.8	898.7	207.4
Supervisor	3255	293	97.7	32.6	423.3	2831.7	423.3	97.7
Clerk	2608	234.7	78.2	26.1	339	2269	339	78.2
Programmer	3493	314.4	104.8	35	454.2	3038.8	454.2	35
Total	30719.5	2765	921.6	307.3	3993.7	26726.8	3993.7	921.6

4.0 Marketing Plan

Marketing is a crucial element that might assist the business in boosting product sales. As a result, the earnings of the business may increase dramatically. The marketing goals of our product, VARMed, is to ensure that the marketing activities are well-planned and implemented in a methodical manner in order to satisfy the business's objectives. Other than that, we aim to develop a set of core ethics that protects society as a whole from any loss or damage that may result from business marketing operations or product use.

4.1 Target Market

A target market is a segment of consumers that the company directs its marketing efforts and resources towards within a company's serviceable accessible market. Target marketing involves focusing our marketing efforts on a smaller, easier-to-manage audience. As a result, our marketing strategy will be more effective since we will be talking to the correct individuals about the right goods or service. In VARMed, our target market will be analysed in 3 different segments.

4.1.1 Demographic

Our company's primary target market is the healthcare sector, particularly hospitals, healthcare educational institutions, medical professionals, and even students studying medicine or biology related courses in colleges or universities. We are all aware that studying the medical sector is difficult since it requires a lot of memorization and visualising. In fact, studies have proven that VR improves students' memory and ability to retain information. Students will become more focused as a result, which may improve their comprehension of difficult and intellectual courses like anatomy and surgery. On the other hand, their income classification has to be at least M40 where they earn around above RM5k per month. Our product's key selling feature is that it combines augmented reality and virtual reality to produce an immersive learning tool for use in education. This kind of technology requires a high amount of investment and thus the product price is also high .

4.1.2 Geographic

Geographically speaking, our target market would be the healthcare sector in urban areas, ideally in nations that speak English as the main language to use our product is English. To operate MR (Mixed Reality) devices, one must be well-versed in technology. Our product, VARMed will require special hand gestures and in-depth technological understanding to use it to its full potential.

4.1.3 Psychographic

Hospitals and healthcare educational institutions who have the aspiration to raise the calibre of their trainees and medical professionals. Students' comprehension, achievement, and even test scores can rise by up to 20% with compelling, personalised experiences like handling a beating human heart and performing the surgical excision of a brain tumour. According to recent studies, medical mistakes are the third largest cause of death in the US. Hence, Our product also aims to lower this preventable adverse effect of medical care in the long run. With this, institutions or the healthcare sector will have the opportunity to provide quality services on a global level.

4.2 Marketing Strategy

Product strategies

Our product is defined as a Virtual and Augmented Reality that will be used for the medical sector. Since it is a combination of both Virtual Reality (VR) and Augmented Reality, we give an abbreviation called MR which stands for Mixed Reality. Mixed Reality will be the first of its kind and that is where our marketing strategy will be vital when it comes to attracting customers. VARMed has some typical characteristics to ensure that the product is of high quality. Some of the mentioned characteristics are:

- Goes beyond its function - not only does our product fulfil the customer's needs, we aim to go the extra mile in producing a product that transforms the industry.
- Determination of the price that is appropriate with the quality of the product.
- Since we aim for high durability of our products, we aim to use high quality products to ensure that none of our products gets damaged easily.

I. Brand

One thing that VARMed stands out among the rest is that considering it's the first of its kind in the medical industry, it has a competitive advantage against the other MR companies. Not just that, considering the product and services are innovative, we believe that it can create a new market opportunity for the company. Health professionals can use VARMed to connect with remote experts, access patient data, and go beyond x-rays to consult MRI images in 3D at the point of care.

II. Quality

Very high quality material should be used to meet the demands of a medical setting. Some of the examples that are :

Image quality - The device should have a high resolution display and advanced optics to provide clear and detailed imagery, even in low-light conditions

Connectivity - The device should have robust connectivity capabilities to allow real-time communication with other medical professionals and remote access to patient data

Comfort and ergonomics - The device should be comfortable to wear and easy to use, even for extended periods of time

Software functionality - The device should have some advanced software functionality implemented in it that allows for real-time analysis of medical data, and assists in the diagnosis and treatment of patients

III. Design

The product that we produce is different from competitor's product, it is because our product has specialised modern design and characteristics compared to other products in terms of product design. Some of the important aspects that should be highlighted are user interface, connectivity, versatility and comfort.

Pricing Strategies

As a manufacturer, the best way to achieve the target market is through pricing strategy. This strategy is essential for achieving our sales targets. The price that our company offers is based on the quality of our product and we believe this will bring benefit to our customers.

a) Cost based pricing

Cost to make our product with the sales pricing that we offered is stable.

Price of VARMed = cost + mark-up

b) Factor affecting pricing

Our company can set prices based on our product concept, cost, target market, marketing objectives, or targeted profit, however, several factors must be taken into account because we have a significant impact on the firm's pricing strategies. These factors include economic conditions, government regulation, social issues and consumer groups.

c) Interest-free instalment

To help lessen the burden of cash flow and to ensure a smooth customer experience, our business also offers consumers the opportunity to pay in monthly instalments. This tactic will entice more consumers, especially budget shoppers, to use our product and thus increase our company's revenue over time.

5.0 Financial Plan

5.1 Sources of Finance / Funds

The estimated cost to start the business is about RM625,000. The sources of fund are contributes from partners as opening capital and loans from financial institutions.

PROJECT IMPLEMENTATION COST & SOURCES OF FUNDS					
PROJECT IMPLEMENTATION COST		SOURCES OF FUNDS			
REQUIREMENTS	COST	LOAN	Hire-Purchase	OWN CONTRIBUTION	
FIXED ASSETS				CASH	EXISTING F. ASSETS.
Land & Building	350,000	50,000	50,000		250,000

Equipment and Machinery			100,000	30,000	50,000	20,000	
Office Furniture			50,000		15,000	25,000	10,000
Van			25,000			25,000	
Working Capital	1	months					
Administrative			4,650	4,650			
Marketing			3,712			3,712	
Operations			25,613	25,613			
Pre-Operations & Other Expenditure			24,530	24,530			
Contingencies	6%		37,500	37,500			
TOTAL			621,025	172,293	115,000	73,712	260,000

5.2 Pro Forma Forecasted Income Statement For 3 Years

Here are the net accumulated profits that are forecasted for three years. For the first and second year we might face an accumulated deficit as we are not financially stable, since it requires additional funding. However, this may not be the case for the startup of our business, where substantial initial losses are expected before sales begin to take off.

	Year 1	Year 2	Year 3
Sales	120,000	180,000	330,000
Less: Cost to sales			
Opening stock of finished goods		5,500	4,300
Production cost	57,000	62,000	73,000
Less: Ending stock of finished goods	5,500	4,300	5,250

	62,500	71,800	82,550
GROSS PROFIT	57,500	108,200	247,450
Less: Expenditure			
Administrative expenditure	55,800	57,230	60,440
Marketing expenditure	44,544	44,544	47,625
Other expenditure			
Business registration & Licences	2,000		
Insurance & Road tax for motor vehicle	4,490	4,490	4,490
Other pre-operations expenditure	7,400	7,400	7,400
Interest on Hire Purchase	3,200	3,200	3,200
Interest on Loan	3,440	2,900	2,445
Depreciation of Fixed assets	4,000	4,000	4,000
TOTAL EXPENDITURE	124,874	123,764	129,600
NET PROFIT BEFORE TAX	-67,374	-15,564	117,850
TAX	0	0	0
NET PROFIT AFTER TAX	-67,374	-15,564	117,850
ACCUMULATED NET PROFIT	-67,374	-82,938	34,912

5.3 Pro Forma Forecasted Balance Sheet For 3 Years

	Year 1	Year 2	Year 3
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ASSETS			
NON CURRENT ASSETS (book value)			
Land & Building	350,000	350,000	350,000
Office Furniture	50,000	60,000	75,000
Equipment & Machinery	100,000	120,000	150,000
Van	25,000	21,000	17,000
CURRENT ASSETS			
Stock of raw materials	10,000	8,000	15,000
Stock of finished goods	0	5,000	10,000
Account receivable	0	2,300	6,000
Cash balance	4,500	5,234	6,294
TOTAL ASSETS	539,500	572,534	629,294
OWNERS EQUITY			
Capital	333,712	350,213	395,236
Accumulated profit	-67,734	-82,938	34,912
NON CURRENT LIABILITIES			
Loan balance	158,793	156,257	93,592
Hire purchase balance	110,979	137,802	98,234

CURRENT LIABILITIES			
Account payables	3,750	11,200	7,320
TOTAL EQUITY & LIABILITIES	539,500	572,534	629,294