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Business Plan

Project Kanvass

Group 7

CREATE-DESIGN-SHARE-**KANVASS**

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**EXECUTIVE SUMMARY**

|  |
| --- |
| Company Name:  **Kanvass** |
| Address: www.Kanvass.com |
| Telephone: 01- 560 0000 |
| Fax: 01- 560 0001 |
| Co. Registration No.: 1098765XX |
| V.A.T. No.: IE200000000E |

Accountants: Joe Accountant, ACCA

Business Park,

Dublin 2.

Bank: Bank of me

Kanvass is an online platform recently formed by 4 promoters – Mark Gaskin, Patrick Moran, Stefan Dworschak & Tetsuya Matsushita to fulfil an identified market gap for an online multifaceted workplace and personal presentation platform.

The company’s objectives into the future are:

* To achieve a profitability of 5 % return on expenditure by year 1.
* To achieve an 0.01 % share of the identified market by the end of year 2.
* To achieve a profitability of 15 % return on expenditure by year 2.
* Attract a 0.01% share of the business market within 2 years. Equating to 12,000 active enterprise users on our platform with a potential financial output of €480,000 based on an individual user fee of €40 per year.
* Medium Term - to buy its own premises in the Dublin area.
* Purchase and develop localised data storage capabilities and hosting services.

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

Bank:

* Term Loan €50,000
* Overdraft Facility € 25,000
* County Enterprise Board € 13,505

# Introduction

## Overview

Kanvass is an innovative presentation service that allows the user to amalgamate traditional presentation structures with new media applications on a single platform.

All users of the platform will be able to create new presentations which will give them the ability to add traditional presentation slides along with graphical analysis, media content, social media attributes, research studies and even location services which will provide the reader with a complete understanding of the subject.

The user will be able to design the structure of the presentation by chopping and changing their presentation until they are happy to share it with friends or colleagues.

The intended customers are Corporate Businesses/Enterprises who can share new process flows, ideas, analysis easily and quickly with a new edge.

Marketing/Sales staff can create new proposals to win business or create marketing portfolios.

Students/Colleges create interactive content to share for better learning experiences.

For Private Users the platform will help celebrate special moments in their lives with loved ones, for example Engagement, Weddings and Birthdays. They can also express creativity and share with friends & family.

MARKET

**Overview**

The Market Kanvass will operate in a specialised niche market within the business environment. The platform will also be available to personal users with our main target audience being the invitation industry, such as weddings, birthdays or events.

Our biggest competitor is the traditionally formatted MS PowerPoint who currently have 500 million users worldwide or approx. 95% market share. For Business users, PowerPoint currently have 120 million active users[[1]](#footnote-1).

Next in line is Prezi,[[2]](#footnote-2) Prezi currently have estimated active user count of 50 million. It is the most popular non-traditional presentation tool on the market today with its ability to integrate multiple features such as graphs, charts, videos. Prezi recently received a cash investment of 57 million USD.

## **Competitors**

## The market for online presentation products worldwide is shown below with the key performing software available on the market today:

**Prezi[[3]](#footnote-3)**

* Standard edition:
* First Month free then 4.92 USD per month billed annually 59 USD
* 500MB Cloud storage
* Pro edition:
* First Month free then 13.95 USD per month billed annually 159 USD
* 2GB Cloud storage
* Edit offline function
* Enhance image editing
* Pro Plus edition:
* Billed annually 240 USD
* Includes in depth training material
* Education Pro edition:
* 4.92 USD per month billed annually 52 USD
* 2GB cloud storage

**PowerPoint[[4]](#footnote-4)**

* 69.99 USD per year
* PowerPoint can only be purchased with the office suite package. This includes excel, word, etc.

**Keynote[[5]](#footnote-5)**

* Included on purchase of new Mac.
* Can be purchased separately for once off price of 19.99 USD.
* Free light version available for anyone with icloud.com account and internet connection.

## 

## **Market Trend**

## Most forecasters put the current growth of 11.88% per annum in the IT industry and set to last for at least four to five years[[6]](#footnote-6).

## **Size and potential**

## Extensive primary research indicates a total market for presentation software industry, which currently has more than 500 million users worldwide, at €100 Million worldwide.

## 

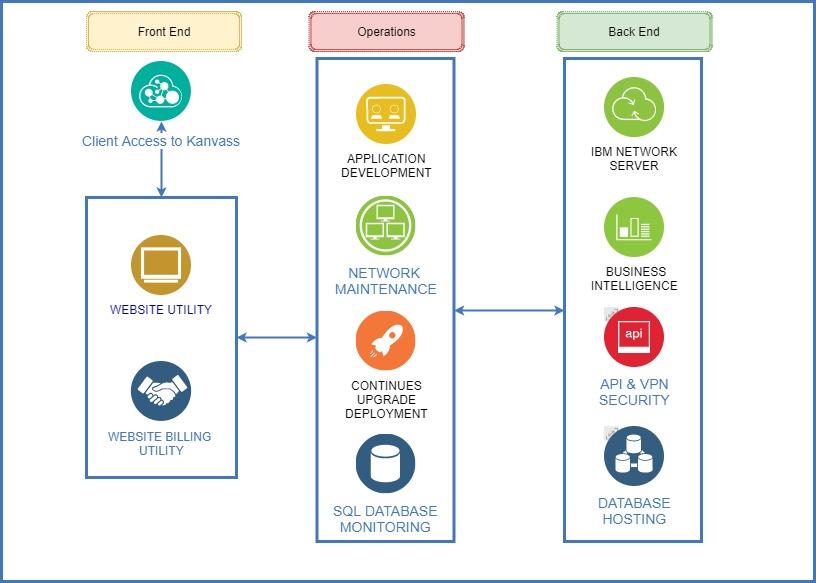
The growth evidence of competitors shows the potential of 15 to 50 million users over 10 years ramping up to attracting roughly 55,000 new users every day.

**Customer Type**

* **Corporate Businesses/Enterprises** - Sharing new process flows, ideas, analysis easily and quickly with a new edge.
* **Marketing/Sales** - Create new proposal to win business or create marketing portfolios.
* **Creatives** - Help people celebrate special moments in their lives with loved ones such as Engagement, Weddings and Birthdays.
* **Students/Lecturers** - Design interactive content to share for better learning experiences.

**Structure**

The presentation platform industry market structure is shown in the diagram below:



# S.W.O.T. Analysis

**STRENGTHS**

The promoters have a long track record within the IT and platform development industry. They have been encouraged by the level of support which they have received from elicitation workshops, interviews and market research. Since platform stability within the industry is extremely important the stable network servers within IBM will contribute greatly to securing new customers.

The experience the promotors have in bringing products to market will yield dividends as they understand the pitfalls of any new venture.

\*The promoters have a proven track record in their ability to produce on time and to budget the specialist application creativity as required by our customers and recognise the importance of meeting deadlines within the overall context of the projects.

**WEAKNESSES**

Financial resources are limited, but this Business Plan details the requirements and sources from which it is anticipated funding, in addition to the promoters’ input, will be forthcoming. As a result of which the company will be adequately funded to meet the requirement of the objectives as detailed elsewhere in this submission.

**OPPORTUNITIES**

While the immediate plan to achieve targets as identified is confined to a realistic share of the market for the first two years of operation it is intended to expand into feature platform after our establishment in the marketplace and this will position us to cater for the whole market valued at €100 million worldwide. **\*cite\***

In the medium term it is intended to expand market opportunities by creating further multiple levels of interactivity which will allow all customer types to reach their required goals easily and efficiently.

**THREATS**

The single greatest threat to the company is that of opportunity loss in terms of the extent of business being lost due to our current non-trading. This results in potential customers using other competitor platforms.

1. Entering an established market
2. Gaining foothold
3. Competitors time to get to market to being profitable

# Market Strategy

The following strategy has been devised:

**OBJECTIVES**

* To achieve a profitability of 5 % return on sales by year 1.
* To achieve a 0.2 % share of the identified market by the end of year 2.
* To achieve a profitability of 15 % return on sales by year 2.
* Medium Term - to buy its own premises in the Dublin area.

**PRODUCT**

The specialist steel products are manufactured from steel sections readily available from several sources locally. The sizes, specifications and configuration of these components varies widely from customer to customer and depends very much on the type of construction and method of jointing to be employed on the project. However, the methods of manufacture and finish are like all and the workshop and skilled workforce are set up to cater for this purpose.

Typical Metal/bracket drawing details are contained in the Appendices.

**PRICE**

Currently products are being supplied into the industry at €650 per tonne, by the existing large steelwork manufacturers. The Metal Engineering set-up for quality batch production, can manufacture and supply for this selling price and with the use of modern scheduling techniques, ensuring timely deliveries, can make its desired contribution and profit targets. Details on costing and overheads are given in Section No.7 - ‘Costings and Finance’.

**PLACE**

Selling is carried out on a direct basis with buyers, engineers and project managers within the organisations of our customers (Builders and Precast concrete and steelwork manufacturers). This function will be carried out by our Sales and Marketing Director who will spend a large proportion of his time engaged in visits to customers promoting the company.

Deliveries post production will be made by contracted transport in two ways:

1. To concrete/steelwork manufacturers
2. Directly to building sites.

The products are then incorporated into building structures either by casting into concrete products during manufacture or by bolting/welding into on-site structures.

**PROMOTION**

An initial Launch of the company is planned to take place in the Institution of Engineers of Ireland to which all the major Builders and Steelwork Manufacturers will be invited. This launch will directly target our customers very specifically and will immediately put METAL Engineering in the market.

Thereafter it is intended to carry on the sales function as described above.

# Organisation & Management

**THE ORGANISATION**

Kanvass is a private limited company with all the shares owned in equal measure by the four primary promoters.

**MANAGEMENT OVERVIEW**

Key Staff and their activities:

The combined expertise of the primary promoters has allowed for a ‘natural’ division of responsibilities as detailed hereunder:

M.Gaskin, CFO

* Operations and Engineering Management.
* 10 Years manufacturing experience
* Production scheduling
* Work assignment
* Health and Safety, Training, Quality Control
* Resource allocation
* People management

P. Moran, Company Director

* Administration and Control.
* Assistant Manager in ZZZ Group
* Certified Diploma in Accounting and Finance (ACCA)
* Dip. In Personnel Management.

S. Dworschak, CTO

* Sales, Marketing.
* 20years experience in building industry (Project Management)
* Diploma in Environmental Services Engineering.
* Self-employed for 17 years.

T. Matsushita, CEO

* Sales, Marketing.
* 20years experience in building industry (Project Management)
* Diploma in Environmental Services Engineering.
* Self-employed for 17 years.

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

**INITUAL STAFF REQUIREMENTS**

|  |  |  |
| --- | --- | --- |
| **Staff Type** | **Year 1** | **Year 2** |
| Directors | 4 | 4 |
| Developers | 0 | 1 |
| Quality Assurance | 1 | 2 |
| Operations | 0 | 1 |
| Sales | 1 | 1 |
| Network Engineer | 0 | 1 |
| **Total:** | **6** | **10** |

**Year 1:**

Due to the skill set of the four-director’s development, operations and network staff will not be required until year two’s expansion is completed. In year one, both a Quality Assurance analyst and Sales person will be required. Each will have a minimum of 5 years’ experience in their field with proven track records.

**Year 2:**

In year two, the plan of action will be geared towards rapid expansion with the potential hiring of a full-time developer with minimum 5 years development experience, a second Quality Assurance analyst, an operations manager and a network engineer. Each new hire will be highly qualified.

**Future staff structure**

# Production & Operations

Premises:

Health & Safety/Employment and Tax Legislation:

Insurances:

Production/Operations:

Quality Control:

# Costing & Finance

Assumptions to the Financial Projections.

Full sets of financial projections for the first two years of operation are contained in the Appendices.

**SALES**

The sales as projected for the first year, based on direct primary research of our potential customers, are set at:

* Year 1: 5% of target market
* Year 2: 10% of target market

The projected sales are modest given the extent of the potential market of €5.3 million and our research indicates that these figures are achievable.

**EXPENSES**

Full schedule of expenses is contained in the appended projections. The expenses as calculated are realistic and based on current prices.

**DETAILED JOB COSTING OVERVIEW**

Full analysis of the Labour Rate build-up is given in the Appendices and the Unit Sales / average job costing make up is as follows:

It is necessary to base costings on a unit cost per tonne production in order to cater for the diversity in type of product being manufactured, This unit cost is used throughout the industry.

**CAPITAL GRANTS**

It has been assumed that the full Capital Grant of IR€13,505 is received by the project in the month succeeding the expenditure. We are confident that this sum will be available based on initial discussions with the County Enterprise Board. They have confirmed that the provision of IR€1,930 per job represents very good value for the creation of 7 new jobs in the industry.

**CAPITAL EXPENDITURE**

It has been assumed that the capital expenditure, in the amount of IR27,010, occurs in the month preceding operations, but for clarity this has been shown in Month 1. A full schedule of projected Capital Expenditure is appended.

**FUNDING**

It is intended to fund the proposed project as follows:

Use of Funds:

Capital Expenditure € 27,010

Working Capital € 31,495

€ 58,505

Source of Funds:

Promoters’ funds € 15,000

Bank Term Loan € 20,000

Bank Overdraft € 10,000

CEB Grant € 13,505

€ 58,505

**CREDIT TERMS**

The ‘industry norm’ for credit (debtors and creditors) is 60days and the projections follow this norm.

**SENSITVITY ANALYSIS**

A sensitivity analysis for Year 1 has been included in the appendices and this shows the following:

Year 1

As Projected Sales - 10% Sales -20%

Cash Balance € 2,036 (€ 3,531) (€ 8,291)

Profit (Loss) € 13,919 € 4,468 (€ 1,387)

The promoters are satisfied that the projected profit of 5% for the first year is achievable and has been conservatively calculated. However, the sensitivity analysis shows that the company can reasonably survive a shortfall in sales of up to 20% in the first year and have purposely set their working capital requirement at the levels indicated in order to cater for such an unlikely event.

# APPENDICES

Appendix A Financial Projections - Yr.1 and Yr.2, Profit and Loss; Cash flow, Balance Sheet

Appendix B Certificate of Incorporation.

Appendix C Tax Clearance Certificate

Appendix D Promoters’ C.V’s.

Appendix E Equipment Schedule.

Appendix F Typical Product Drawings.

Appendix G Project Start Programme.

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1. (Infogram.com, 2018) [↑](#footnote-ref-1)
2. (The Prezenter, 2018) [↑](#footnote-ref-2)
3. (prezi.com, 2018) [↑](#footnote-ref-3)
4. (Microsoft.com, 2018) [↑](#footnote-ref-4)
5. (UK et al., 2018) [↑](#footnote-ref-5)
6. (NASDAQ.com, 2018) [↑](#footnote-ref-6)