

Business Name: Eries Technology

Five Year Business Plan

BUSN. 3200 NETA: Eries

ANATOMY OF BUSINESS PLAN

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Executive summary

What is today's world? The world of technology, almost everyone has a cell phone in their hand today. So Erie Sensors is here to create sensors that can be used commonly in cell phones and elevators. Erie sensors is located in Brooklyn, NY with a team of professional technology developers. Erie Sensors is a company that focuses on creating high quality and high technology sensors. We focus on creating new sensors with new features every year therefore our customers can always have the advanced sensor to use. Erie sensors is a sensor company that has our technology researcher to develop new sensors to service our customers. Our target is to build up advanced sensors to match our customers needs.

Our team leader is Lu Huang, who is talented in business organization and Erie sensors ideal customers are everyone who is interested in sensors and technology. With your sensors, customers can apply any technology item they want and our mission is to create high quality, high performance and most reliable products for our customers. In addition, our goal is to make every customer satisfied with our product and we want to create an environmentally friendly organization.

Company description

What is our goal?

Our company is mainly working on research and development of new sensors, we will do research every three months to see what is the need of our costumes and we use their feedback to develop our new sensor of the season. We are planning to serve big technology companies to use our sensors in their products, for example, Apple and Samsung, we are planning to cooperate with them. Also, we are going to serve everyone who needs a sensor to build their product, therefore we are selling our product in almost every retail store in the U.S.

What is our advantage?

Our competitive advantage is that we are selling our product at the lowest price possible for our customers with the high quality. We will also build up our organizational culture that creates an environment with a positive attitude and friendly working environment for our workers. We also have a clear organizational structure so each of our workers know what they need to do. This is an important factor that can lead our company to success, because a good working environment can help our workers to better collaborate with each other in order to develop new sensors. We believe that working together is always better than working alone. In addition, we have a sensor expert who has a master degree in technology to help us develop new products.

As we said we will sell our products in retail stores but we are also planning to open our store in Downtown, Brooklyn and Manhattan. The purpose of choosing these two boroughs is to attract more college students and companies to purchase our products. We are planning to open in the City Tech college area and New York University area because these two locations have more educated people who may need sensors.

Market analysis

Competition

Our company is not the only one that is looking to cash in on the sensor industry opportunity. Aside from us, there are a variety of different companies within the industry attempting to sell their sensors to consumers. When analyzing the market, one may be able to divide the market into five different segments of consumers based upon what they look for or necessitate in their ideal sensor/product. Those segments would consist of those looking for some on the traditional, low end, or high end spectrums, in addition to whether they prefer a better performance or size of the device. With that being said, many competitors choose to target a niche within the industry by specifically trying to pursue one of the market's segment which is an adequate idea, but it clearly does not maximize the efficiency or innovative abilities of the company, and is where we as a company tend to have a competitive advantage over everyone else.

The Consumers

One of the major differentiating factors between us and our competitors would be how to choose to target all of our consumer's preferences by producing well balanced products to meet each of their needs. In order to get to this point however, we need to understand what it is that each segment of the market may want out of their sensors. For instance, those who prefer the traditional models, would like models that may be incorporated with tried and true technology and are of a moderate size and performance. Low end consumers look more so towards the price tag and affordability of the product as they are customers who want low prices and are willing to sacrifice miniaturization and performance.

Conversely, high end consumers are willing to spend an extra couple of dollars for a better developed product as they want products that are fast performing and small in size. There is also a segment of the market who prefers performance above all and these individuals are willing to sacrifice miniaturization for the sake of a better performing sensor. Lastly, there are the consumers who consider above all other aspects, the size of the sensor to be the most important. These customers believe in smaller products and are willing to sacrifice performance for the sake of size. By incorporating and taking into account all five components within the market into our product we believe we will be able to make sensor(s) that will satisfy the needs of the entire market, allocating us the competitive advantage over the rest of our competition.

Organization and Management

Legal Structure

When it comes to our business model there are a couple of things to touch upon. From the types of liabilities we may encounter to taxation there is a lot to consider when taking into account what legal structure our company may be considered under. Since we do have many partners involved within its operations, the company cannot be considered a sole-proprietorship. Also, considering taxation and liabilities as mentioned above, we believe the best legal structure for our company would be that of c-corporation. The c-corporation would be the most suitable legal structure for a multitude of reasons. For starters with respect to liability, we as the partners and owners will have a limited amount. Secondly, since we are always expanding and looking to get bigger we may look to add more people onto our team including additional owners and CEOs and with a c-corp you can go on to have an unlimited number of owners. Moreover, when one of those owners pass away the c-corp continues to run as it is its own entity, which is another plus. When it comes to raising capital or stock c-corps tend to be the way to go as it allows for the exchanging of stock for capital and potential change in ownership as well.

Organizational Structure

With respect to the organizational structure of the business we will be following a value chain structure to make sure our employees and company is as innovative and efficient as possible. A value chain may be described as a set of functional-level strategies that support a company's business-level strategy. Within our value chain there are multiple departments and stages that go on to address varying issues or objectives including the product development department, the marketing department, materials management department, the production department, the sales department, and the customer service department. Each department would go on to have its specific objectives and issues to address so the company may operate as smoothly and efficiently as possible.

For instance, those in the product development department would go on to address making/developing new sensors/products for the market. The materials management department would make sure we have enough materials and parts for the production team who would go on to produce the new developed products. These new products will then be marketed to the general public to cause an arousal of interest amongst consumers. That interest the consumers may have will then be converted into sales by our sales department who will go on to sell the sensors to our customers in exchange for the capital we will be gaining. Lastly, if the customers may have any concerns or issues with the products the customer service department will always be happy to help them out with those said issues so our customers are always happy with our company and regularly come back for more of our products. Using this model our business will always be running with great communication, efficiency, and innovation allowing the company to grow and gain the competitive advantage within the industry.

Service or product line

With the advancement of technology, the cell phone is no longer a simple communication tool, but a portable electronic device with integrated functions. The virtual functions of cell phones, such as interaction, games, are realized through the powerful computing power of processors, but the functions that are combined with reality are realized through sensors.

Our Product and Service?

Our product is an advanced sensor, which is specially developed for cell phones. The range of our sensors include, image sensor, fingerprint sensor, sound sensor. These three are the most commonly equipped sensors for modern smartphones, and our mainly service products.

Image sensor

An image sensor, also known as a photoreceptor, is a device that converts optical images into electronic signals, and it is widely used in digital cameras, cell phones and other electronic optical devices. In recent years, with the development of smart phones and the development of image processing technology, image sensors have a broader application space. The image sensor above the cell phone is applied to facial recognition, and with the maturity of the technology in recent years, more and more smart phones are equipped with facial unlock, facial recognition payment. The Eries Sensor is able to recognize and capture faces more quickly and clearly than traditional image sensors on the market, with high resolution, imaging effect and higher sensitivity. The image sensor is also applicable to the camera, the smartphone equipped with Eries Sensor will produce clearer photos and fuller colors.

Fingerprint Sensor

Since the iPhone 5s was equipped with a fingerprint sensor for the first time, fingerprint sensors have spread rapidly in the smartphone world, and Eries Sensor has also ventured into this area. The fingerprint scanning system has two basic tasks: one is to obtain an image of the finger, and the other is to determine whether the crests and troughs in that image match the crests and troughs in the previously scanned image. The Eries Sensor has a very accurate digital image signal of the fingerprint, which results in more accurate data transfer to the phone processor. When our finger touches the semiconductor capacitive surface, because the ridges are raised and the valleys are concave, different capacitance values are formed at the ridges and valleys depending on the relationship between capacitance and distance. And Eries Sensor will confirm what position is a ridge and what position is a valley more accurately by the difference of capacitance value of the sensing particles formed by these semiconductors based on tens of millions of semiconductors.



Sound Sensor

For cell phones, the sound sensor is the most important part. It acts as a microphone. The Eries Sensor is a flat capacitor with an air gap and an electret as the insulating medium, and a back electrode and a metal layer on the electret as the two electrodes. When the electret film is displaced by vibration caused by acoustic waves, the distance between the two plates of the capacitor is changed, thus causing a change in the capacitance of the capacitor. The Eries Sensor does not need to be calibrated, it resets itself. Also, the frequency of taking sound samples is 11,000 times per second, which means that the Eries Sensor can respond more accurately to the image of sound vibrations and thus transmit more accurate data to the phone processor.

How can we benefit our customer?

Are you bothered by the fact that you can't unlock your phone with facial recognition? Are you upset because you can't recognize your fingerprint every time you unlock your phone with it? Have you ever been worried because you sometimes can't hear what the other side on the phone is saying during a call?

Then Eries Sensor can help you solve all the above problems, and customers of Eries Sensor related products can get more comfortable and convenient electronic product experience. Because all of our sensors are made after a lot of data collection and research. However, buyers who use Eries Sensor equipped products can have the opportunity to replace the parts once for free. If there is any dissatisfaction with Eries Sensor, or if the use experience is not added, consumers can submit comments to us, and our division will read the comments and make improvements, and will also compensate consumers.

Our product life cycle?

Our company will conduct a questionnaire survey every six months for the users of our products to understand any shortcomings and benefits of our products through the survey. We also collect the survey every year so that we can research and upgrade the software to address the shortcomings of Eries Sensor.

Intellectual property and copyright?

We are in the process of applying for a intellectual property, as our sensor is undoubtedly the most accurate and fast data transmission and recognition available today. Currently, there is no sensor on the market that can do what the Eries Sensor can do, so the best way to protect our intellectual property is to apply for a patent. We need the help of our users to make the intellectual property application go smoothly, so please feel free to ask us if there are any shortcomings.

Marketing and sales

Our company regularly sends our products to smartphone companies so that they can use them to develop new products. Also, we will set up offline stores. Consumers can come to the physical store to ask questions and to replace faulty parts. We will also conduct regular factory tours. Of course, a lottery will be held to select consumers to follow the technical staff to visit. During the tour, the technician will explain. Of course, we also have an official website with all the records and research files about the development of Eries Sensor. Consumers can browse freely and we have an online customer service to answer any questions you may have. We also have social accounts such as Instagram, facebook, twitter, where we regularly send product ads to users and smart product companies around the world.

Funding request

How much do we need?

To continue our operation, we still need \$100,000 from equity. We will use the money on inventing new sensors. We believe that having great and new products is the key to success, therefore we will spend most of our money to invent new products. At the same time, we will use it for our buying new equipment and materials for our new product. Our plan is to cover this amount in three years since our product is targeting high technology people. For our current financial situation, you can refer to the financial projection part. In summary, we are earning but our goal is not only that amount, we are planning to double our income. To achieve that goal, we need to have different types of sensors that can target different types of customers. Following is our plan for how we are using the funding.

To increase our sales, we need to advertise our business and have promotions to attract our customers therefore, we will also use the funding to do advertising.

Activity	Amount of money
Hiring professionals advisor to solve our technical problems	\$20,000
Buying material for development	\$35,000
Advertising	\$10,000
promo budget	\$10,000

Financial projections

Financial Profile Year Ended April 14, 2022

Income Statement:

Eries Technology
Income Statement
Years Ended April 14, 2022

Sales	\$22,031
Total Variable Costs (Labor, Material, Carry)	\$17,422
Direct Material	\$8,240
Direct Labor	\$5,810
Inventory Carry	\$3,372
Other (Fees/Write-offs/Bonuses/Relocation Fee)	\$0
Total Period Costs	\$5,763
Interest (Short term/Long Term)	\$438
Taxes	\$557
Profit Sharing	\$0
Net Profit	\$1,035

Cash Flow Statement:

Eries Technology
Cash Flow Statement:
Years Ended April 14, 2022

Net Cash From Operations	\$19,364
Net Plant Improvements	\$0
Net Cash From Financing	\$1,733
Net Change In Cash	\$21,097
Starting Cash Position	\$53,039
Ending Cash Position	\$31,942

Balance Sheet :

Eries Technology
Balance Sheet
Years Ended April 14, 2022

Current Assets	\$61,853
Fixed Assets	\$9,984
Total Assets	\$71,837
Current Liabilities	\$3,464
Long-Term Liabilities	\$3,600
Total Liabilities	\$7,064
Total Equity	\$64,773
Total Liabilities & Equity	\$71,837

Financial Projection:

Operation Performance and Projections			
<i>Metrics</i>	<i>Current Performance</i>	<i>Five Year Projection(%)</i>	<i>Five Year Projections(\$)</i>
Sales	\$22,031	122%	\$98,500
Profit	\$1,035	126%	\$15,285
Contribution Margin	20.92%	105%	31.7%
Stock Price	\$50.80	98%	\$55.98
Market Share	3.7%	128%	10.78%

Appendix

Use your appendix to provide supporting documents or other materials that were specially requested. Common items to include are credit histories, resumes, product pictures, letters of reference, licenses, permits, patents, legal documents, and other contracts.

Proforma					
Metrics	Sales ⓘ	Profit	Stock Price	Contribution Margin ⓘ	Emergency Loan
This Year	\$71,625	\$14,287	\$55.90	42.6%	\$0
Last Year	\$70,041	\$12,590	\$47.22	36.1%	\$0
Change	\$1,584	\$1,697	\$8.69	6.4%	\$0
	★	★	★	★	★

Proforma					
Metrics	Sales ⓘ	Profit	Stock Price	Contribution Margin ⓘ	Emergency Loan
This Year	\$60,000	\$6,789	\$22.99	32.1%	\$0
Last Year	\$40,800	\$2,490	\$11.16	20.0%	\$0
Change	\$19,200	\$4,299	\$11.83	12.1%	\$0
	★	★	★	★	★

Proforma					
Metrics	Sales ⓘ	Profit	Stock Price	Contribution Margin ⓘ	Emergency Loan
This Year	\$60,200	\$9,372	\$27.01	35.4%	\$0
Last Year	\$40,800	\$2,490	\$11.16	20.0%	\$0
Change	\$19,400	\$6,883	\$15.85	15.4%	\$0
	★	★	★	★	★

Proforma					
Metrics	Sales ⓘ	Profit	Stock Price	Contribution Margin ⓘ	Emergency Loan
This Year	\$81,036	\$16,713	\$54.38	42.0%	\$0
Last Year	\$69,955	\$12,563	\$32.86	37.8%	\$0
Change	\$11,082	\$4,150	\$21.51	4.1%	\$0
	★	★	★	★	★

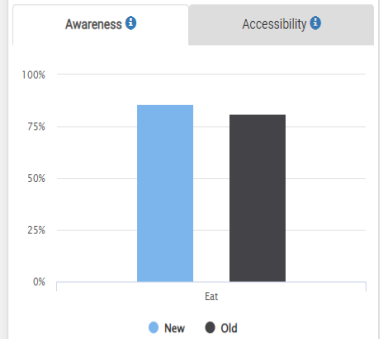
Products

Eat				
Price ⓘ	\$15.00	<div><div></div></div>	<div><div>\$44.50</div><div>\$49.25</div></div>	Total
Promo Budget ⓘ	\$0	<div><div></div></div>	<div><div>\$1,350</div></div>	\$1,350
Sales Budget ⓘ	\$0	<div><div></div></div>	<div><div>\$2,550</div></div>	\$2,550
Forecast ⓘ	0	<div><div></div></div>	<div><div>1,2000</div></div>	2,000

Summary

	Eat	Total
Gross Revenue ⓘ	\$98,500	\$98,500
Variable Costs ⓘ	\$61,807	\$61,807
Contribution Margin ⓘ	\$36,693	\$36,693
Fixed Costs ⓘ	\$7,136	\$7,136
Net Margin ⓘ	\$29,557	\$29,557

Investments



Customer Buying Criteria

	Low Tech	High Tech
	Expectations	Importance
Price	\$15.00 - \$35.00	41%
Age	3 Years	29%
Reliability	14,000 - 20,000 Hours	21%
Ideal Position	Pfmm. 8.3, Size 11.7	9%

Segment Demand

Low Tech (this year) : 13,095

Contact Us



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Credits Page

Member List for participating in Business plan

Shujun Lu:

Participate in part and finish Executive summary and Company description.

Allen Shumunov:

Participate in part and finish Market analysis and Organization and management.

Minhaz Uddin:

Participate in part and finish of Funding request, Financial projections and Appendix.

Lu Huang:

Participate in part and finish Service or product line, Marketing and sales, and cover page, Contact Infos.

Gilbert Soto Maya: