

CA4102 Assignment 2 - Market Analysis + Financial Plan

Leonardo Shehu - 19437386

Oluwayomi Oluwaniyi Amodu - 19422846

Value Propositions:

- **Improving interpersonal skills** - Documentation, Presentation, Communication, Retrieval of Information
- **Convenience** - Small form factor, fit on the wearer without them noticing, application can host multiple file types, the organisation of files and text, application is small.
- **Bundled product and service** - Application is able to be used without the device, the application is run on a freemium model

When it comes to talking about our value propositions we are taking great inspiration from the ventures of “Lifelogging” companies such as Sony, Panasonic and Mecha.

The “NoteTaker” products differ from the commonly used cameras, using a microphone in place of a camera we provide our customers with easy documentation of their spoken words for any time of their choosing. Paired with the ability to scroll back and forth within the application, add files that correlate with that information. Or just scrolling through to remember what had happened.

Our first proposition is convenience, with the note taker application the user will have more time to better focus on what's in front of them instead of trying to take notes and miss out on valuable information.

Customer Segments:

- **Nurses jobs** - Prescribing medications(responsibility), Noting a patient's health (can be done without using a clipboard, responsibility), gathering health histories(responsibility), documenting all patient plans(maybe rehab plans, responsibility), written communication skills (Stated in job application).
- **Associate jobs** - Conduct market research, build client relationships, understand client requirements, identify new business opportunities. Understand, manipulate and interpret financial and non-financial data and client information, drawing appropriate conclusions. Carry out relevant analysis and present your findings (both written and orally). Gathering, verifying and analysing information to formulate views.

Customer Segment Value Propositions:

Nurses Jobs:

Our first main customer segment are those who work in the health sector, such as nurses, doctors and general practitioners. To perform their jobs it's a taxing exercise on the body and mind, as the minimum requirements to get a job as a nurse clearly states that one should be able to provide excellent written skills.

This is tackled by our first proposition of improving the users presentation skills, with our application it will be hard to misinterpret or misremember topics and situations. Along with this nurses also have to note the health of patients, perform oral history checks with the patient and their families, prescribe medication, document all patients plans, and much more. These factors can be made much easier for the user by using our product the convenience of a small form factor listening device which can host multiple files to be paired with text.

We acknowledge there are other audio recording devices available on the market, but none of them bring to the table what we offer our customer a bundled product and service to both record the user and quickly translate what they say into text saving valuable time and in the health sector they need all the time they can get.

Associate Jobs:

Our second main customer segment are those in the business sector, we will focus on the starting range for this group. To work a 9-5 in this industry requires the ability to be mentally flexible, as they are responsible for building relationships with clients.

This takes form in understanding their clients needs and providing insights into their findings. Identifying new business opportunities, maybe finding loopholes in government laws and offering this as a service to the clients. Throughout all this associates need to gather, verify and analyse information to formulate views and present them to their team/manager/client.

To be effective in this area they need practice and a way of understanding to become better with their interpersonal skills which would allow them to present in a more professional manner which can help them get their point across and communicate better, with our note taking application we allow people to store their notes inside the application and view them to see how to improve on their communication skills.

Market Analysis Review:

To conduct this market analysis review we need to firstly identify our potential customers, which in this case is mainly the business sector and nursing sector. We believe that these two sectors would benefit greatly if they were exposed to such a product.

Potential Customers:

With this in mind, our potential customers or the total addressable market would stand at around 270,000 total businesses which are made up by mostly SME's, although only 180,000 of those companies are actively trading, the SMEs in Ireland currently employ around 1.1 million people. For the nursing sector, our total addressable market consists of 460 nursing homes which have a total of 27,132 healthcare professionals as of 2021.

With a total of 1.127 million people within the total addressable market we now have to consider some factors that will assist us in finding the served available market and then our target market and finally the actual market for our product.

To find the served available market we need to see how many people can actually afford the product and service, realistically around 75% of the total addressable market would be able to comfortably afford the product and service which brings our number of 1.127 million down to 845,250 people in the served available market.

Now to find our target market we need to find out how many people would actually be interested in purchasing such a product and service, this would equate to around 50% of the served available market which then leaves us to our target market of 422,625 people

But we will cut this number down by half to give a more realistic number of people who would be interested in purchasing our product which is 211,313 people.

Competitors:

Our main competitor would be Glean which is a company that provides a similar product to us and is currently an established business. A strength that Glean currently is benefiting from is that they are currently active in the market whereas we are only at the beginning.

A weakness that they have is that they are soon discontinuing their SoNoCent Audio Note Device and changing it to another product, which is where we can interject and establish ourselves in the market and gain traction and many customers.

In comparison to our competitors we can see how they price their products against ours is quite different as Glean charges around \$158 for a year subscription, whereas we charge a total of €50 for the bundle of products. Glean spreads their product via advertisements on social media like Instagram and other social media platforms.

Market Potential:

Since there are constantly more startups and businesses being created which leaves us to increasing our target market we believe that the current market for this product has a lot of potential as currently our competitors Glean have made a total of \$25.3 million in revenue which leaves us to believe that this market can and will grow into something larger and will attract a lot more people to invest in this type of product.

We can hope to achieve a sizable amount of the market when we deploy our product in the market as it is competitive in terms of pricing and diversity in comparison to our competitors.

We believe the market growth rate for our product is our projected sales hits the max number of customers in our actual market divided by total industry sales which is 34.08%. From this we can see that this market has a lot of potential to grow into a more profitable and more developed market.

First year financial plan

INVESTMENT INCOME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YR TOTAL
New Frontiers start-up program	€ 30,000.00	€ -	€ -	€ 15,000.00	€ -	€ -	€ -	€ 10,000.00	€ -	€ -	€ -	€ -	€ 55,000.00
Bank Loan - Over 2 years	€ 20,050.00	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 20,050.00
TOTALS	€ 50,050.00	€ -	€ -	€ 15,000.00	€ -	€ -	€ -	€ 10,000.00	€ -	€ -	€ -	€ -	€ 75,050.00
OPERATING REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YR TOTAL
Software Licensing @ 12 euro/pp	€ -	€ -	€ -	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 129,600.00
Product Sales @ 40 euro/pp	€ -	€ -	€ -	€ 48,000.00	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 48,000.00
TOTALS	€ -	€ -	€ -	€ 62,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 14,400.00	€ 177,600.00
ONE OFF EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YR TOTAL
Computer hardware/software	€ 2,000.00	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 2,000.00
TOTALS	€ 2,000.00	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 2,000.00
MONTHLY EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YR TOTAL
Developers/Operations Engineers	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 6,666.00	€ 79,992.00
Sales Team Salary	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 250.00	€ 3,000.00
Ethics/Legal/Accountant	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 189.00	€ 2,268.00
Company Insurance	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 125.00	€ 1,500.00
Office space rent	€ -	€ -	€ 300.00	€ 300.00	€ -	€ -	€ -	€ -	€ -	€ 300.00	€ 300.00	€ 300.00	€ 1,500.00
Amazon Web Services	€ -	€ -	€ -	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 478.96	€ 4,310.61
"Note Taker" device production	€ 3,000.00	€ 3,000.00	€ 3,000.00	€ -	€ -	€ -	€ -	€ -	€ 3,000.00	€ 3,000.00	€ 3,000.00	€ -	€ 18,000.00
Loan repayments	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 888.63	€ 10,663.56
Equipment upgrade/replacement	€ -	€ -	€ 600.00	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 600.00
Directors Fees	€ -	€ -	€ -	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 40,500.00
Miscellaneous	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 500.00	€ 6,000.00
BURN RATE	€ 11,118.63	€ 11,118.63	€ 11,418.63	€ 8,897.59	€ 8,597.59	€ 8,597.59	€ 8,597.59	€ 8,597.59	€ 11,597.59	€ 11,897.59	€ 11,897.59	€ 8,897.59	€ 121,234.17
OVERVIEW	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YR TOTAL
CUMULATIVE EXPENSES	€ 11,118.63	€ 22,237.26	€ 33,655.89	€ 42,553.48	€ 51,151.06	€ 59,748.65	€ 68,346.24	€ 76,943.82	€ 88,541.41	€ 100,439.00	€ 112,336.58	€ 121,234.17	
CUMULATIVE INCOME	€ 50,050.00	€ 50,050.00	€ 50,050.00	€ 127,450.00	€ 141,850.00	€ 156,250.00	€ 170,650.00	€ 195,050.00	€ 209,450.00	€ 223,850.00	€ 238,250.00	€ 252,650.00	
STATUS	€ 38,931.37	€ 27,812.74	€ 16,394.11	€ 84,896.52	€ 90,698.94	€ 96,501.35	€ 102,303.76	€ 118,106.18	€ 120,908.59	€ 123,411.00	€ 125,913.42	€ 131,415.83	

Financial Assumptions

Early Investment:

New frontiers start up programme - Note Taker will join in the New Frontiers scheme, a national initiative to support ambitious, early-stage entrepreneurs with game-changing ideas for businesses with the potential to expand and generate employment. It provides the information, support, and self-assurance necessary to move toward starting a successful business. Along with this, the service also provides stage one payouts of 35,000 euros, stage two payouts of 15, and stage three payouts of 10,000 euros. For successful and promising businesses, the service offers office space in stage two. In stage three, it offers rent-free office space for six to eight months.

Bank Loan - Note Taker will take a two year 20050 euro loan at 888.63 euro per month pay back. This will allow five to six months of head room

Operating Revenue:

Licensing of Note Taker costs €12pp per month, and the paired device at €40.

- Early adopters are anticipated to include five nursing homes (450 people total), three small to large corporate businesses (500 people total), and one hospital (250 people total) by launch. From April to December, revenues totaled €177,600 before taxes.
- 1200 people x €12 = €14,400 per month
- 1200 people x €40 = €48,000 one-off purchase

One Off Expense:

Computer hardware/Software - Note taker will purchase two windows laptops at €500 each, to be paired are full year VPN/antivirus services. These laptops will run a firewall to prevent downloads of harmful software as well as licences to Github, Atom, and Chrome Devtools.

Monthly Expenses:

Some assumptions may not match the projections in the first year because the Note Taker application will need to take into account any unforeseen costs and circumstances.

It will take three months to develop the device and the note-taking application.

In January, two software developers will start working for an annual salary of €80,000. The creation of the device and the note-taking software will take three months.

For the first year of business, "Accountant Online" and "Flynn O'Driscoll LLP" will handle the ethics, legal, and accounting needs of the Note Taker team. This guarantees that the business has the support of recognised experts in their fields.

From launch the Note Taker company will make use of Amazon's elastic computing services. Boosting 5TB of storage at €1,218 per year, and a large computing instance at €1,600 per year.

Directors receive a salary of €20,000 for the first year of operation.

Note Taker makes profit of €56,366 before tax in the first year of business.

Financial Requirements

Another significant expense that will be needed to develop and maintain relationships with our customer segments is marketing. This cost is the result of our sales representatives visiting nursing homes, hospitals, and businesses in Irish cities to meet with potential customers and launch online marketing campaigns using online advertising. Leasing physical advertising spaces in these locations would cost a total of €11220 per month, according to our research. We wouldn't use this physical advertising campaign every month, but we would consistently use an aggressive online marketing plan using €120 per month of Google and Facebook advertising. From the second year of operation and onward, more funds will be allocated to online marketing as Note Taker's operating revenue increases.

Cloud costs are estimated using AWS Cloud Platform Pricing Calculator and consist of using App Engine, Cloud SQL and Cloud Storage services. In the first year of business cloud costs are estimated to begin at € 478.96 per month which brings this expense up to € 4310.61 within the first year of business. As the business expands and grows, the cost of cloud costs per month from second year onwards add up to around € 559.10 per month.

A balance of €500 per month was allocated in the financial projection plan for Note Taker for our sales representative team's travel costs during the first year. As Note Taker expands, we will permit an additional €500 to be set aside for travel, bringing the total amount per month to €1000. We have allocated this amount to cover the travel expenses our team will incur when onboarding new users of our platform and device.

In addition to these costs, we have factored in software licensing fees and other unforeseen costs for office supplies that might arise during Note Taker's first year on the market. We have set aside €500 for other miscellaneous items and €10 for the small teams' G-Suite Business package. We have allotted a value of €6,500 to be used on various items and any licensing that may be required, based on all of our previously stated assumptions.

Key Activities:

It will be up to us, the directors, to take initiative and apply for the available grant for new start-up businesses in order to launch RentSpot on the market. In the event that we are successful in obtaining the start-up grant, we will then look for people with the necessary skills to fill the positions we need. This will include outsourcing roles to professional companies that specialise in those areas. In order to generate pre-orders for our upcoming product launch, we will begin running campaigns to demo our product to nursing homes, hospitals, and businesses once we have couriered the Note Taker team and the development of the application is under way. Major Irish cities will host these campaigns, and online advertising will also be used.

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