SaaS for Chinese Medicine

EC BUSINESS PROPOSAL

Abstract

Chinese medicine has played an important role in Asian culture. In order to inherit and promote Chinese medicine culture, our company - KTV Integrated Solution Ltd is going to establish a SaaS Chinese medicine management system to enhance and facilitate of Chinese medicine clinic operation. In this business plan, the details of how we establish a SaaS Chinese medicine management system would be go through. First of all, the background information of our business would be introduce in the introduction section. In the section, information such as company background, mission and owner ship information are provided.

Our business models are B2B and B2C. Medical group and individual Chinese medicine practitioner would be our target customer. We are pure-play EC organization since our business is a SaaS Chinese medicine management system. System rental and advertisement are the key revenue model of our business. SWOT analysis are also included to investigate the external and internal factors of our business. As a result the SWOT analysis found that the prospects of the company are positive. Furthermore, detailed implementation plans are prepared to guide how to establish the business. Moreover, the further plans of according to the business growth are also prepared.

For Marketing, marketing research is carried out to gather the business opportunities. The result of the research found that SaaS Chinese medicine management system have great potential market. According to the result, various types of adverting and marketing campaign are prepared to attract the corresponding marketing target.

IT strategy section is included in the business plan. In this section, the system overview would be provided to describe the major component of our system. The system would be describe in the view of front end and back end to show how those component could support our business. The detailed network and infrastructure would be included to show how those component maintain the system with high availability. For IT security, various security approaches designed to fulfill the key IT security concept – The CIA Triad so that the confidentiality, integrity, and availability of system data could be protected.

Detail financial analyses is also included in the business plan. Different financial analysis methods such as break-even analysis and return on investment are used to project the future financial status of our business. The break-even analysis project that our business would breakeven at the 35Th months with high return of investment.

In the business plan, various type of analyses have been gone through. We found that most of the analyses return in positive result. We believe that our business is worth of investment.

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1. Introduction

Background Information

Chinese medicine is an important part of the Chinese culture. It is very useful on preventing and performing treatment of diseases and maintenance of health and made important effort to the health. Chinese Medicine is still popular in China and has been used for years. A lot of people visit Chinese medicine practitioners performing treatment with Chinese medicines.

In the year of 1999, Hong Kong Legislative Council passed the Chinese Medicine Ordinance, Chinese medicine practitioners' professional position has been enhanced. In the 21st century, Chinese medicine should meet stringent international quality, efficient of operation and safety standards through modernization; otherwise they will lose their competitiveness.

Our company, KTV Integrated Solution Ltd. was formed and registered in Hong Kong in 2010. Mr. Kitson Liu, Mr. Tony Ho, Mr. Vincent Fung and coming investors are the shareholders of company. KTV employs 10 staff in Hong Kong and the office is located in Kwun Tong. Our potential customers are about 10,000 Chinese medicine practitioners, Medical Group Customers and Advertisers

KTV Services

KTV is a true business partners that provides all round consultation service on Information Technology with professional implementation service to local individual registered and listed Chinese medicine practitioners and medical groups.

KTV's product, "HuaTuo.com.hk" is a Chinese Medicine Management System. It is able to optimize our customers' operational processes and improve the profitability through the best use of assets, manpower and time.

KTV System and User Support Team

KTV System and User Support Team provides unlimited access to 7x24x365 telephone assistance from KTV technical experts for customers. Support Team offers customer service, updates and fixes to product.

Company Ownership

- Investors – 50%
- Founders
  - Mr. A – 17%
  - Mr. B – 17%
  - Mr. C – 16%

Market Research

1. Growing Number of Chinese Medicine Practitioners (includes Registered and Listed)

Year	Number of Practitioners
2014	9649
2013	9519
2012	9371
2011	9160
2010	9013

Our target customer is Chinese Medicine Practitioners. In Hong Kong, about 10,000 Chinese Medicine Practitioners, all of them are our potential customers. According to the Statistics by "Chinese Medicine Council of Hong Kong Chinese Medicine Practitioners" and "Home Census and Statistics Department", the number of Chinese Medicine Practitioners has grown about 7% in the past 5 years.[i]

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2.Business Plan

Company EC strategy

1. **Social networks: [ii]**

   Design a Facebook and LinkedIn Page to share our stories, products and connect with our potential customers

2. **Advertising through Google AdWords:[iii]**

   Be seen by potential customers when they are searching on Google for Chinese Medicine.

3. **One-month free trial:**

   Free one-month full trial versions is provided

4. **Supplier discount:**

   Build up partnership with Chinese Herbs/Medicine supplier, provide discount to our customers

5. **Strategy assessment:**

   The continuous evaluation will be performed to make sure it is working as planned

Business Model

Our business models are B2B (business-to-business) and B2C (business-to-consumer).

B2B includes Medical Group customer and Advertisers (e.g. Herbs, Medical Equipment, and Education). Our business exchanges the services between businesses. Furthermore, B2C includes Individual Chinese medicine practitioner.

Product and Service

Our product is E-portal named "HuaTuo.com.hk" which is an enterprise SaaS Chinese medicine management system. SaaS means "software as a service", all software and hardware infrastructure are hosted by us centrally. For using our system, customer do not need to handle the complicated IT infrastructure which could reduce customers' overhead and cost of maintaining their own system. Moreover, as the system are managed by us, customer could also reduce their initial hardware setup cost and system operation cost such as buying   servers or hiring IT staffs.

To access our system, only web browser is required. Customer could access E-portal easily by URL - "www.HuaTuo.com.hk" via internet. In our E-portal, professional Chinese medicine management feature such as intelligent prescription filtering and advice, patient and prescription record recording and appointment management are provided to facilitate the operation of Chinese medicine practitioner. By the professional feature and user friendly user interface user could accomplish the target of "Do less, Achieve more".

Target Customers

Our target customers are about 10,000 Individual Chinese Medicine Practitioners, Medical Group Customers and at least four kinds of advertisers related to Chinese Medical (e.g. Herbs, Medical Equipment, and Education).

Patient and prescription records are important for Chinese Medicine Practitioners for patient illness diagnostic. Moreover, the patient and prescription records are also the important evidence when medical malpractice occurs. Chinese Medicine Practitioners are always seeking a reliable method to store their records. We find that popular data storing methods that Chinese Medicine Practitioners using now including traditional paper recording and storing data in standalone server are not reliable methods for storing records. Thus, a reliable Chinese medicine management system would be attractive to Chinese Medicine Practitioners.

Our system is also attractive to Medical groups. Data synchronize is always a challenge for a business that stores data in different location.

Our system is designed to allow data synchronize for organizations that have multiple clinics which help them to overcome the data synchronization problem easily.

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SWOT Analysis

Strengths

1. **First-mover:**

   After our exhaustive investigation, we find that at this moment there is no SaaS Chinese medicine management system is available in Hong Kong. We are the first one to gain Market share in this industry

2. **Flexibility (Balance of Payments):**

   The core of Chinese Medicine System is a centralized system and database. It is keep in out-sourced Cloud. The size of cloud and the number of attendants depend on the number of customers, if our customers increase, we can hire more attendant and server, if we lost customer, we can reduce the head count of system and user supports staff and cut off the size of server.

3. **Long Service Life:**

   Our business model is monthly recurring income that can provide a relatively stable and predictable revenue, which introduce advantage for cash flow management.

4. **Additional revenue:**

   Our system is an online platform for customer to use, so we can let other related company to advertise their new product.

Weakness

1. **New Business in this industry:**

   SaaS Chinese Medicine Management is a new business in Chinese medicine area, we have no reputation yet. We need to gain their trust first.

2. **Need resources (Head Count) to keep performance like:**
   - General user function
   - Reduce error rates
   - Archive and retention

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1. **Low Effectiveness on operation in this industry:**

   Most of them still run in traditional business model and non-digitized like writing sketch Chinese characters for medical histories, it is difficult to read and keep record. Most of Chinese medicine practitioners desire to use a new technology to improve the operation effectiveness.

2. **Potential costumers growing up:**

   The new graduates register Chinese medicine practitioners are joining this industry every year.

Threat

1. **Customer confidence:**

   Customer may concern about our data security while transferring data through internet, because personal data and medical histories also are the confidential information. So that we already have strategies to avoid the data loss, server down, data leakage incidents when we design the network diagram.
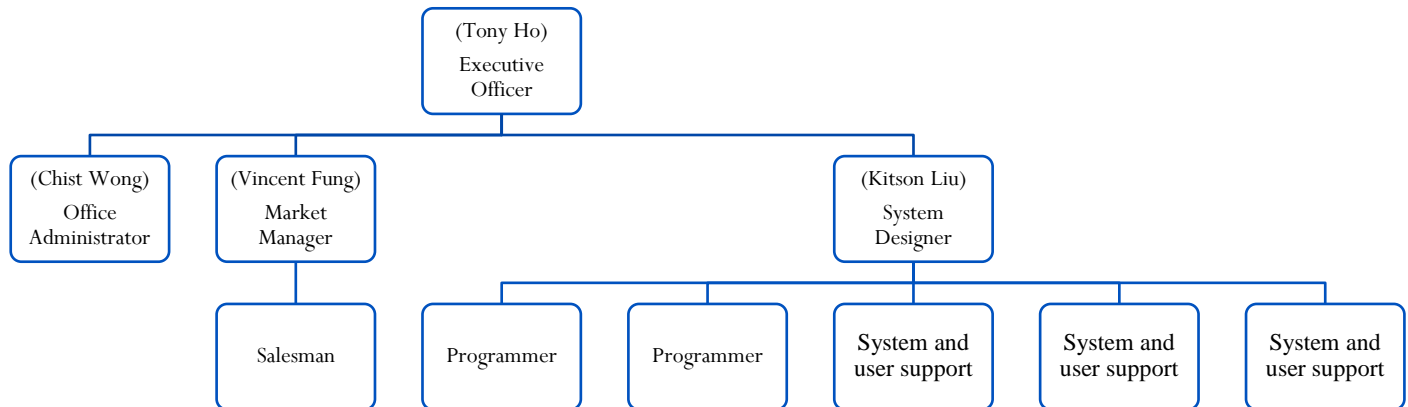
2. **Customer Loyalty:**

   Many old traditional Chinese medicine practitioners still love using old method to do the operation, it is not easy to be accepted by old practitioners. Some of the old practitioners may have low computer knowledge, so that they may not be willing to change their habit.

Further plan for our business

1. Chinese Medicine is more and more important in medical treatment and not only limited in Chinese Community. We will explore the Mainland China and International Market after our business get breakeven.

2. Different language of User Interfaces will be provided on development of International Market

3. Develop an e-Mall system for Herbs and Proprietary Chinese Medicine to provide business-to-consumer and business-to-business sales services through our web portals.

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3. Company Structure

Organization chart

```
                          (Tony Ho)
                          Executive
                           Officer
        ┌──────────────┬──────────────────────────┬──────────────┐
  (Chist Wong)    (Vincent Fung)              (Kitson Liu)
    Office            Market                    System
  Administrator      Manager                    Designer
                        │          ┌──────┬───────┬────────┬────────┬────────┐
                    Salesman   Programmer Programmer  System    System    System
                                                     and user  and user  and user
                                                     support   support   support
```

Duties

Executive Officer

Assigns jobs and duties to all the staff, monitors staff performance of their operations and decide the company direction.

Office Administrator

Handle administrative and accounting job, procurement of equipment, also is the reception when the visitor come.

Marketing manager

Define marketing strategy and lead the sales team.

Salesman

Handle the marketing and promotion activities.

System Designer

Design the system including program and hardware equipment. Lead the development and supporting team.

Programmer

System development and handle the job assigned by System Designer.

System and user support

Provide helpdesk service like answering Phone call, report customer's opinion to system designer. Also update the Facebook and Reply customer's Comments.

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4. Marketing and Advertising Strategy

Marketing Target

We define our target market as medical groups and about 10,000 individual Chinese medicine practitioners in Hong Kong

Advertising Campaign

Exhibition

1. We will join the large exhibition to promote our company and product

Web Promotion

1. Google AdWords
2. Design a Facebook and LinkedIn Page to share our stories, products and connect with our potential customers

Chinese Medicine Magazine

1. Advertising in Chinese Medicine Related Magazine

Marketing Campaign events

Exhibition

We may meet many target customers in a short period of time to promote our company and product. Two exhibition will be join

"International Conference and Exhibition of the Modernization of Chinese Medicine and Health Products (ICMCM)": [iv]
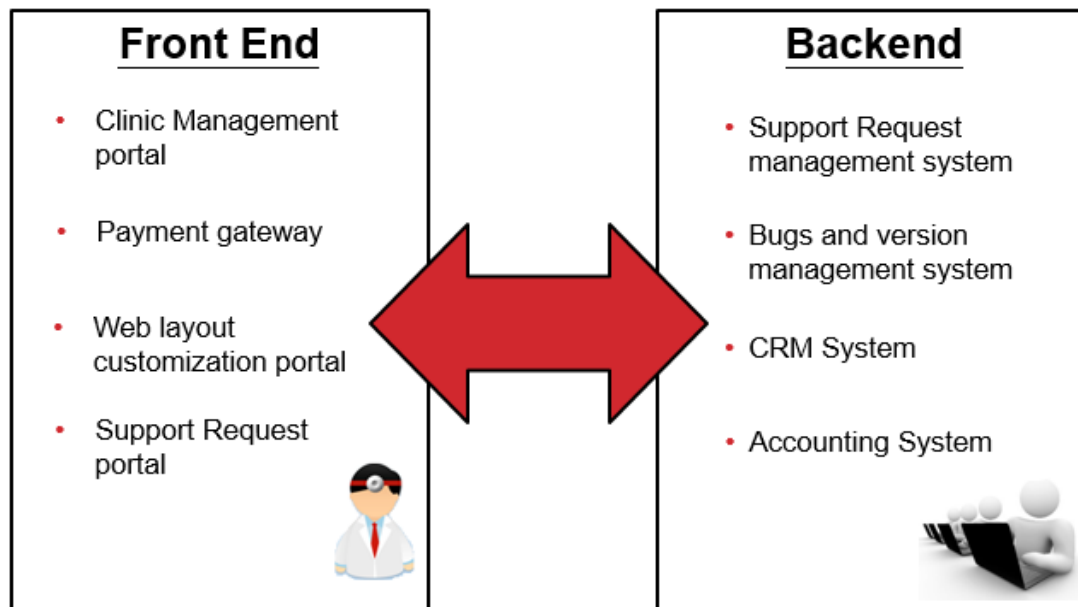
It is a world-wide exhibition for Chinese medicine and health care related industries organized by "the Modernized Chinese Medicine International Association Ltd (MCMIA)" and "Hong Kong Trade Development Council".

Overall Marketing Budget

It is fixed to HK$5,000 per month.

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5. IT Strategy

IT System Overview

Our system is a SaaS pure play online management system. Our system is designed with frontend and backend component to support our business.

For the front end, we provide clinic management portal to provide the clinic management feature such as appointment, patient and consultation management in order to help Chinese medicine practitioner to manage their business. We also provide payment gateway which allow customer to perform payment of our system by using credit card. We provide web layout customization portal which allows the customers who select our premium package to customize their owner user interface. Support request portal is also provided for customers to find our system support when they encounter difficulties or programming bugs.

For backend, we provide "Support Request Management System" for help desk and developer to handle support requests of customers. We have "Bugs and Version Management System" for developer to management the bugs and versions of the system. We also have customer relationship management (CRM) system to manage and develop a better relationship for current and potential

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customers. Accounting System is also designed to manage the accounting information for our customer.

IT Requirements with Security Strategies

For IT security, our system is designed to fulfill the key IT security concept, the CIA Trial. The system would protect customer information base on 3 data protection domain including confidentiality, integrity, and availability.

For data confidentiality, we provide the following feature:

Physical Security:

The data center of our cloud provider fulfill the ISO 270001 security standard[v] which mean that the datacenter fulfill the physical and environment security and access control standard[vi] of joint ISO and IEC subcommittee. Moreover, the data security of the data center is protected by periodic risk assessment[vii].

Data encryption:

Both channel and storage of our system is protected by data encryption.

- HTTP over TLS
  Our system could only be accessed by using security http protocol with TLS 1.2 encryption to protect clients' information from man-in-the-middle attack[viii].

- Database Encryption

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All sensitive data in the database is encrypted in order to prevent sensitive data leakage from unauthorized user.

Antivirus
All servers would perform weekly virus and malware scanning in order to prevent data lost or data leakage by malware.

Firewall
Enterprise grade physical firewall is used to protect the system by filtering the unnecessary incoming traffic and deny the unauthorized access.

Patch management policy
The patch level of all middleware and operating system would be review periodically to prevent security vulnerabilities.

Strong password policy
Strong password policy restricts all password of the system must be strong password.

For data integrity, we provide the following feature:

Schedule backup
Weekly schedule backup of all server is preformed to provide recover mechanism for data recovery.

Daily backup would be rotated weekly, weekly backup would be rotated yearly and yearly backup would be rotated every 10 years.

Remote storage for backup
Schedule backup would also store in remote data center to protect data form disaster of production data center.

Individual SIT and testing environment
SIT and testing environment is separated from production environment to ensure the development and testing changes would not affect the production site.

For data availability, we provide the following feature:

High Availability
In production site, all servers are pair to protect the system from single point of failure.

Disaster recovery site
Disaster recovery site is prepared to recover the service when production encounter disaster.

Hardware and Software Summary

All hardware of the system would be rented from cloud provider. Softlayer load balancer service is rented for production environment in order to balance the http request and ensure the service would not be interrupted by single point of failure. Moreover, load balancer service is provided by the load balancer cluster of the cloud provider which mean that the load balancer service would not be interrupted by the hardware failure also. Two Physical firewall are also rented for the system in order to protect the system by filtering the unnecessary incoming traffic and deny the unauthorized access. In traditional system design one firewall would be enough however as architecture limitation limited by the cloud provider two firewalls are needed.

There are 8 virtual server in total. On the production site, there are two Web-App Server and two Database Server for the production environment. On the remote site, there are one Web-App Server and one Database Server for DR Environment. For the SIT and testing environment, there are one Web-App Server and one Database Server. Both Web-App Server and DB Server would be Softlayer Virtual Server however the configure package of Web-App Server and DB Server would be different. Unlimited public network feature would only be enabled in the Web-App Server.

All production data would be stored in the SAN Storage in the production data center. The SAN Storage on remote data center is prepared for the backup purpose. Daily backup of production data would be replicated to the SAN storage on the remote data center every day. Moreover, MySQL Cluster would be enabled to perform real time synchronization of data between production and DR site so that data lost while production site encountering disaster could be minimized. No SAN storage is prepared for the testing and SIT Environment in order to reduce the hardware cost. All testing data would storage in the local disk of the testing database server. Uninterruptible Power Supply is provided by cloud provider to ensure the servers would not be down due to power failure.

For software, all software of the system including operation system would be freeware or open source software.
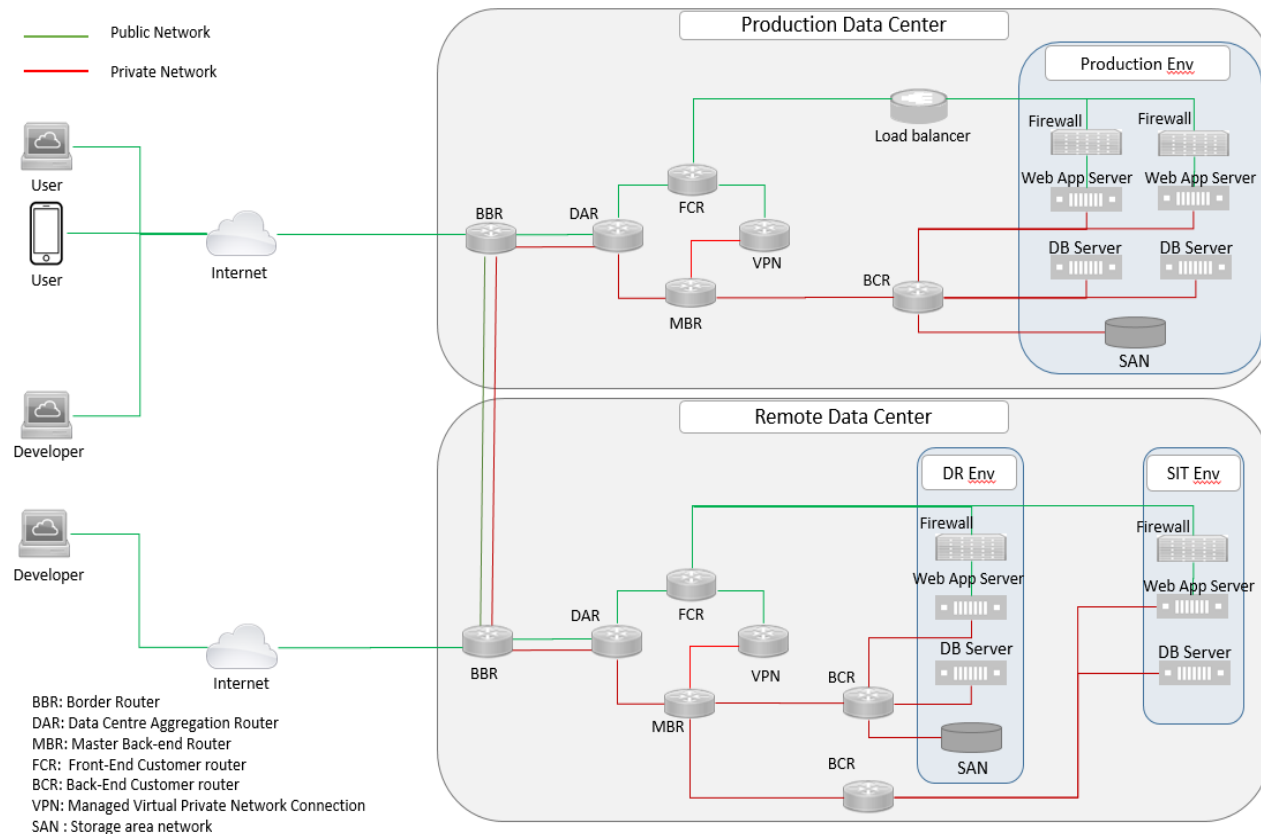
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Hardware:

Hardware:	Quantity
Softlayer load balancer service	1
Fortinet FortiGate®-3810A Firewall	4
Softlayer Virtual Server (Web-App Server) (Dual-core, 8GB ram, 100GB storage, unlimited public network)	4
Softlayer Virtual Server (DB Server) (Dual-core, 8GB ram, 100GB storage)	4
12 TB SAN Storage	2
Uninterruptible Power Supply	N/A

Software:

Software Type	Software
Operating System	CentOS 7
Application Server	Tomcat 7
Web Server	Apache web server 2.4
Scripting language	PHP 5.5
Software development kit	Java SE Development Kit 7
Database Server	MySQL 6.0
Antivirus	Clam Antivirus 0.98
Backup Tool	Bacula 7

Network infrastructure

BBR: Border Router
DAR: Data Centre Aggregation Router
MBR: Master Back-end Router
FCR: Front-End Customer router
BCR: Back-End Customer router
VPN: Managed Virtual Private Network Connection
SAN : Storage area network

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Our system is an online management system, user could use either personal computer or mobile device access our system using browser via internet. When HTTP request is made, the request would reach the routers of the cloud provider. The HTTP request will then route to the load balancer cluster. The load balancer would then balance the HTTP request and send to difference Web-App Servers. Before the HTTP request reach the Web-App Servers, physical firewalls would filter the network traffic in order to protect the Web-App Servers. The processed request would than route to the database servers and database servers would update the database record and store it in SAN storage.

For developers, cloud provider provided the virtual private network facilitate. Developer could establish the connection with the virtual private network via internet to perform system operation.

For data backup, the backup files in production SAN storage would replicate to the SAN storage by using private network.

Mock up Web Site

Appointment management:
Allow customer to manage the patient appointment.

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Patient Management:

Allow customer to manage the patient information and history.

E-Payment (payment method)

Auto-payment

Direct auto payment of designated bank is supported after the auto authorization form is signed.

Cheque by post

Crossed cheque could be sent to the Kwun Tong office 5 days before the payment due date.

Credit cards

Customer could perform online credit card payment in the online payment portal

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IT Budgeting

Since our business runs on cloud, all hardware would be charged as monthly rental price. For hardware cost, the cloud provider promised that the cost of cloud server is frozen if no configuration change is made. For the following summary, all budget would be expressed in year. Here is the yearly IT Budget on below.

Hardware cost is listed as below

Hardware:	Quantity	Cost (HKD)
Softlayer load balancer service	1	466,799
Fortinet FortiGate®-3810A Firewall	4	20,592
Softlayer Virtual Server (Web-App Server) (Dual-core, 8GB ram, 100GB storage, unlimited public network)	4	52,513
Softlayer Virtual Server (DB Server) (Dual-core, 8GB ram, 100GB storage)	4	23,310
12 TB SAN Storage	2	292,032
Uninterruptible Power Supply	N/A	0
Total :		855,246

Software cost is listed as below

Software:	Cost (HKD)
CentOS 7	0
Tomcat 7	0
Apache web server 2.4	0
PHP 5.5	0
Java SE Development Kit 7	0
MySQL 6.0	0
Total :	0

The total yearly IT Budget is $ 855,246 Hong Kong dollar.

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6. Finance and Budget

Revenue model

Our Key Revenue Models is Rental with number of concurrence user. Our secondary Revenue Models is rent our web banner to Advertisers to post their advertisement. Our target customers are centralized on Medical so that the Advertisers can focus their target to post their products such as Herbs, Medical Equipment and Education.

Rental Package

We provide two different package to customers. They can select our Standard Package to Rental with Advertisement or they can select the Premium Package to Rental only with add-ons and web page customization feature.

Charging Scheme

Monthly Package

- Standard Package: $800 HKD for one user monthly
- Premium Package: $1,500 HKD for one user monthly

The same user account, could only login from one machine. If more than one user login with the same user account at the same time, the second login session would take over the previous session.
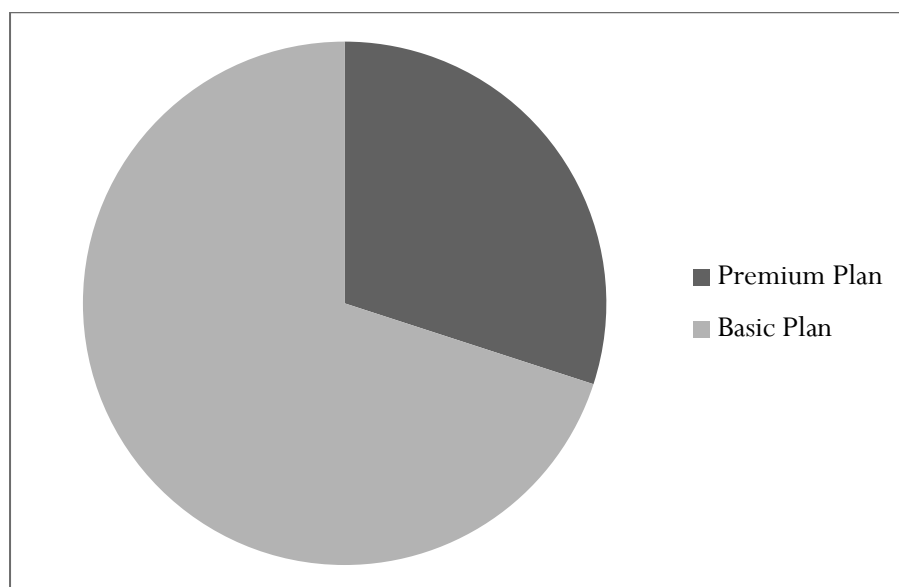
Advertisement

- Advertisement package: $10,400 monthly

Web banner would be displayed in our system. For each display $0.5 HKD would be charged. For each advertisement package we ensure that the advertisement would display to the system users at least 20,000 times a month.

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Revenues assumption

For System Sale as we already collaborate with some individual Chinese medicine practitioners and medical groups we would have 150 customers in project initial. We assume that the monthly growth rate of customer would be 2%. In month 60, the total number of customer would be 380. According to our estimate, the package ratio of normal and premiums user is maintain 7:3

For advertising income we assume that the advertisement would display to user 40 times per day in average. Moreover, we assume that the average monthly working days for our user are 26 days. Which mean that the monthly display count of our advertisement that display to customs would be 1040 times.

Package revenue projection

Standard Package total in come

Year 1	$102395 HKD
Year 2	$129862 HKD
Year 3	$164696 HKD
Year 4	$208875 HKD
Year 5	$264904 HKD

Premium Package total in come

Year 1	$82282 HKD
Year 2	$104353 HKD
Year 3	$132345 HKD
Year 4	$167846 HKD
Year 5	$283826 HKD

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Advertising revenue projection

For advertising income we assume that the advertisement would display to user 40 times per day. This assumption is based on how many patients the practitioner serve each day. The advertisement would only appear when their medical treatment is completed. On the basis of a normal patients working hour, they should be work 26 days per month. After calculation, web banner should display 1040 times per month for each user. According to our estimate, the Customer growth rate is 2%. The hit rate would rise with customer number accordingly.

Advertising Package total in come

Year 1	$66557 HKD
Year 2	$84410 HKD
Year 3	$107053 HKD
Year 4	$135769 HKD
Year 5	$172188 HKD

Overall budget

One time initiation expense
The One time initiation expense includes Office Rental Deposit and all Office Equipment such as desktop PCs and necessary stationery. Total cost is $ 109,348 HKD

Monthly expense
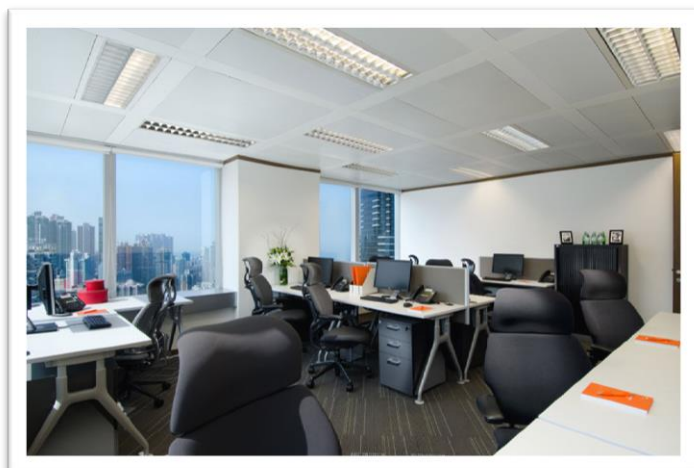Operation cost: Includes electricity, water, Broadband (10MB)
Total $10,000 per month.
On the first year, the total operating cost would be $120000
We assume that the cost will have 5% increment per year.

Year 1	$120,000 HKD
Year 2	$126,000 HKD
Year 3	$132,300 HKD
Year 4	$138,915 HKD
Year 5	$145,861 HKD

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Office Rental

Location: Kwun Tong

Area: 1,537 ft2

Rental fee: $19,674.per month. (Includes furniture & decoration)

Since compare the rental fee with other location, we find that "Kwun Tong" can accommodate all our equipment in a reasonable price. So we decide to Choose "Kwun Tong" to be our startup office location. On the first year, the total amount is $236088 HKD. The price includes furniture and decoration. We assume that the Rental fee will have 5% increment each year.

Year 1	$236088 HKD
Year 2	$247892 HKD
Year 3	$260287 HKD
Year 4	$273301 HKD
Year 5	$286966 HKD

Marketing Cost

The Marketing budget is $5,000 per month for conducting Marketing Campaign events. The yearly marketing cost would be $60000

Year 1	$60000 HKD
Year 2	$60000 HKD
Year 3	$60000 HKD
Year 4	$60000 HKD
Year 5	$60000 HKD

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Salary package

Total staff: 10

Executive Officer	$30,000 HKD
Administrator	$15,000 HKD
Marketing manager	$30,000 HKD
Salesman	$17,000 HKD
System Designer	$30,000 HKD
Programmer	$19,000 HKD
Programmer	$19,000 HKD
System and user support	$12,000 HKD
System and user support	$12,000 HKD
System and user support	$12,000 HKD
Monthly Total	$196,000 HKD

On the first year, the total amount is $248,674 HKD .MPF and Insurance are included. Assume the salary increment per year is 5%

|	
Year 1	$248,674 HKD
Year 2	$261,108 HKD
Year 3	$274,163 HKD
Year 4	$287,871 HKD
Year 5	$302,265 HKD

According to our total expense in a year is $3358282 HKD so that our amount of investment is 3500000 HKD.

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Breakeven period

Month	No of Customer	Accumulate Revenue	Accumulate Expense	Accumulate Net Income
1	150	$54,600	$380,093	-$325,493
2	153	$261,792	$650,837	-$389,045
3	156	$473,128	$921,582	-$448,454
:				
34	288	$9,608,548	$9,695,683	-$87,134
35	294	$10,006,819	$9,990,461	$16,358
36	300	$10,413,056	$10,285,239	$127,817
:				
58	464	$21,724,693	$17,190,433	$4,534,260
59	473	$22,365,287	$17,511,708	$4,853,579
60	483	$23,089,649	$17,832,983	$5,256,666

Break-Even **period** is 35 months.

Break-Even Chart
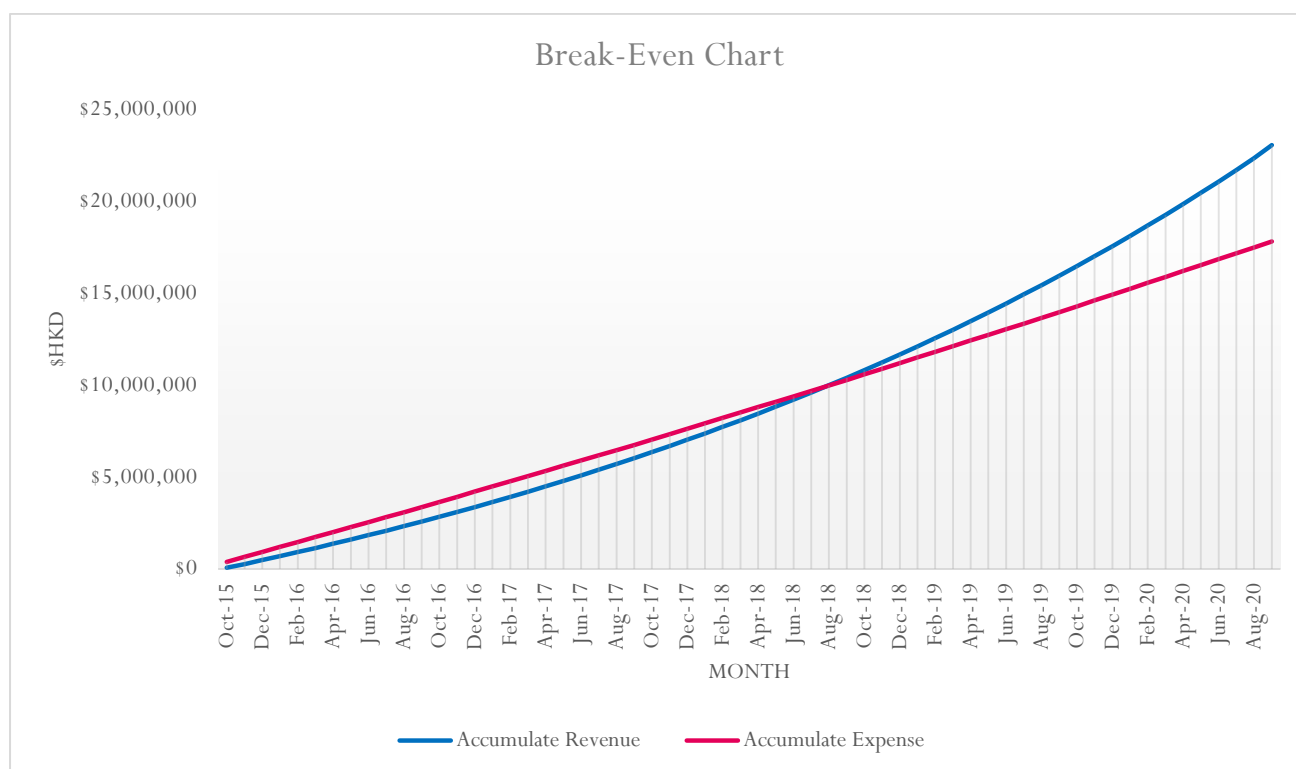
As shown in Figure that our business would Break-Even in Aug-2018.

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Return of investment

Financial Year	Net Profit (HKD)	Return on Investment
Year 1	-$782,422	-23.30%
Year 2	-$716,856	-10.62%
Year 3	$127,817	1.24%
Year 4	$1,992,823	14.26%
Year 5	$5,256,666	29.48%

7. Conclusion

In 2000, "the Food and Health Bureau issued Consultation Document" on Healthcare Reform, covering ways to promote developing Chinese medicine. The document includes Chinese medicine into the public healthcare system.

Nowadays, Chinese Medicine is already not a traditional Chinese culture only, more and more people choose Chinese Medicine to perform medical treatment, rather than Western Medicine. Furthermore, our target customers, Chinese Medicine Practitioners, their number keeps increasing from 9,013 on 2010, to 9,649 on 2014.   We can see this industry is expanding in a high speed! There is a great investment opportunities in Chinese Medicine related industry.

Our company is the pioneer to provide all round consultation service on Information Technology with professional implementation service.   Our product HuaTuo.com.hk is the first and only management system specially designed for the operation of Chinese Medicine Clinic in the Hong Kong market.

According to our financial analysis, our break-even point is on the third year, which means our company can start to make profit in a short period of time.   Furthermore, our EC-Business Models is "pure play", it is different from traditional retailers, "pure play" is to "sell directly to consumers over the Internet without maintaining a physical sales channel", and our cost is lower. Our company is able to get more profit with low expenses.

Our Cloud System fulfills Industry's security standard and provide a high availability of service. It can fulfill some customers who concerns the IT Security.

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In conclusion, our company is getting a great opportunity in growing industry and the pioneer of this area. With the advantage of environment, experienced management team, breakeven period, well-planned IT security, our business will succeed. Let us seize this valuable opportunity

8. Appendix

Table 1: System Sale prediction

Month	No. Customer	Month	No. Customer	Month	No. Customer
1	150	21	223	41	331
2	153	22	227	42	338
3	156	23	232	43	345
4	159	24	237	44	351
5	162	25	241	45	359
6	166	26	246	46	366
7	169	27	251	47	373
8	172	28	256	48	380
9	176	29	261	49	388
10	179	30	266	50	396
11	183	31	272	51	404
12	187	32	277	52	412
13	190	33	283	53	420
14	194	34	288	54	428
15	198	35	294	55	437
16	202	36	300	56	446
17	206	37	306	57	455
18	210	38	312	58	464
19	214	39	318	59	473
20	219	40	325	60	483

Table 2: Break-even tables

Month	Accumulate Revenue	Accumulate Expense	Accumulate Net Income
Oct-15	$54,600	$380,093	-$325,493
Nov-15	$261,792	$650,837	-$389,045
Dec-15	$473,128	$921,582	-$448,454
Jan-16	$688,690	$1,192,326	-$503,636
Feb-16	$908,564	$1,463,071	-$554,507
Mar-16	$1,132,835	$1,733,815	-$600,980
Apr-16	$1,361,592	$2,004,560	-$642,968

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May-16	$1,594,924	$2,275,304	-$680,380
Jun-16	$1,832,923	$2,546,049	-$713,126
Jul-16	$2,075,681	$2,816,793	-$741,112
Aug-16	$2,323,295	$3,087,538	-$764,243
Sep-16	$2,575,860	$3,358,283	-$782,422
Oct-16	$2,833,478	$3,640,751	-$807,273
Nov-16	$3,096,247	$3,923,219	-$826,972
Dec-16	$3,364,272	$4,205,687	-$841,415
Jan-17	$3,637,658	$4,488,156	-$850,498
Feb-17	$3,916,511	$4,770,624	-$854,113
Mar-17	$4,200,941	$5,053,092	-$852,151
Apr-17	$4,491,060	$5,335,560	-$844,500
May-17	$4,786,981	$5,618,029	-$831,047
Jun-17	$5,088,821	$5,900,497	-$811,676
Jul-17	$5,396,697	$6,182,965	-$786,268
Aug-17	$5,710,731	$6,465,433	-$754,702
Sep-17	$6,031,046	$6,747,902	-$716,856
Oct-17	$6,357,767	$7,042,680	-$684,913
Nov-17	$6,691,022	$7,337,458	-$646,436
Dec-17	$7,030,942	$7,632,236	-$601,294
Jan-18	$7,377,661	$7,927,014	-$549,353
Feb-18	$7,731,314	$8,221,792	-$490,478
Mar-18	$8,092,041	$8,516,570	-$424,530
Apr-18	$8,459,981	$8,811,348	-$351,367
May-18	$8,835,281	$9,106,127	-$270,845
Jun-18	$9,218,087	$9,400,905	-$182,818
Jul-18	$9,608,548	$9,695,683	-$87,134
Aug-18	$10,006,819	$9,990,461	$16,358
Sep-18	$10,413,056	$10,285,239	$127,817
Oct-18	$10,827,417	$10,592,943	$234,474
Nov-18	$11,250,065	$10,900,646	$349,419
Dec-18	$11,681,167	$11,208,350	$472,817
Jan-19	$12,120,890	$11,516,053	$604,837
Feb-19	$12,569,408	$11,823,757	$745,651
Mar-19	$13,026,896	$12,131,460	$895,436
Apr-19	$13,493,534	$12,439,164	$1,054,370
May-19	$13,969,504	$12,746,867	$1,222,637
Jun-19	$14,454,995	$13,054,571	$1,400,424
Jul-19	$14,950,194	$13,362,274	$1,587,920
Aug-19	$15,455,298	$13,669,978	$1,785,321
Sep-19	$15,970,504	$13,977,681	$1,992,823
Oct-19	$16,496,014	$14,298,956	$2,197,058
Nov-19	$17,032,035	$14,620,232	$2,411,803
Dec-19	$17,578,775	$14,941,507	$2,637,269
Jan-20	$18,136,451	$15,262,782	$2,873,669
Feb-20	$18,705,280	$15,584,057	$3,121,223
Mar-20	$19,285,485	$15,905,332	$3,380,153

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Apr-20	$19,877,295	$16,226,607	$3,650,688
May-20	$20,480,941	$16,547,882	$3,933,059
Jun-20	$21,096,660	$16,869,158	$4,227,502
Jul-20	$21,724,693	$17,190,433	$4,534,260
Aug-20	$22,365,287	$17,511,708	$4,853,579
Sep-20	$23,089,649	$17,832,983	$5,256,666

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Contribution

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– Abstract
– 2.Product and Service
– 2.Target Customers
– 5.IT System Overview
– 5.IT Requirements with Security Strategies
– 5.Hardware and Software Summary
– 5.Network infrastructure
– 5.Mock up Web Site
– 5.E-Payment (payment method)
– 5.IT Budgeting

Ho Chi Wing, Tony (54371180)　（contribution ratio: 31%）:

– 2.SWOT Analysis
– 3.Company Structure
– 6.Finance and Budget
– Layout design

Fung Sai Hei, Vincent (54371098)　（contribution ratio: 31%）:

– 1.Introduction
– 1. Background Information
– 1. Market Research
– 2.Business Plan
– 2.Company EC strategy
– 2. Business Model
– 2. Further plan for our business
– 4.Marketing and Advertising Strategy
– 4.Marketing Target

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