|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quotation |  |  |  |  |  |
|  |  | Needed | Timeline (hours) | cost |  |
| Junior programmer | 800 | 2 | 176 | 281600 |  |
| Programmer | 1250 | 2 | 176 | 55000 |  |
| Senior programmer | 1700 | 1 | 22 | 37400 |  |
| Software engineer | 2200 | 1 | 22 | 48400 |  |
| Project manager | 2200 | 1 | 40 | 48400 |  |
| Line manager | 3500 | 1 | 40 | 77000 |  |
| Senior Architect | 3500 | 1 | 10 | 77000 |  |
|  |  |  |  | 624800 |  |
|  |  |  |  |  |  |

# Appendix B: Financial Forecast & Plan

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  | | --- | |  | | **Initiative X**  **5Y - Overview Financials** | | | | | | | |  | |
|  | **Year of 2020** | **%** | **Year of 2021** | **%** | **Year of 2022** | **%** | **Year of 2023** | **%** | **Year of 2024** | **%** |
| **Revenue** |  |  |  |  |  |  |  |  |  |  |
| Program sale (Start-up R 20 000) | 120 000 |  | 400 000 |  | 400 000 |  | 400 000 |  | 400 000 |  |
| Subscription (R3 500 pm) | 63 000 |  | 910 000 |  | 1 512 000 |  | 2 352 000 |  | 3 192 000 |  |
| Consultation (R5 000) | 30 000 |  | 100 000 |  | 100 000 |  | 100 000 |  | 100 000 |  |
| **Total Revenue** | 213 000 |  | 1 410 000 |  | 2 012 000 |  | 2 852 000 |  | 3 692 000 |  |
| **Expenses** |  |  |  |  |  |  |  |  |  |  |
| Cost of Sale | | | | | | | | | | |
| Program design and maintenance | 624 800 |  | 35 000 |  | 35 000 |  | 35 000 |  | 35 000 |  |
| Distribution | 25 295 |  | 20 000 |  | 20 000 |  | 20 000 |  | 20 000 |  |
| Equipment | 120 000 |  | 0 |  | 0 |  | 50 000 |  | 0 |  |
| **Total Cost of Sale** | 770 095 |  | 55 000 |  | 55 000 |  | 105 000 |  | 55 000 |  |
| Overheads | | | | | | | | | | |
| Salaries | 150000 |  | 250000 |  | 250000 |  | 250000 |  | 250000 |  |
| Office hire  (Work from home strategy) | 0 |  | 0 |  | 0 |  | 0 |  | 0 |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Total Overheads** | 150 000 |  | 250 000 |  | 250 000 |  | 250 000 |  | 250 000 |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Net Profit | * 707 095 |  | 1 105 000 |  | 1 707 000 |  | 2 487 000 |  | 3 387 000 |  |

# Financial Management [How]

High level vision: To bring first world industrial technology to the third world, to aid third world organisations in growth and asset development.

Revenue model:

BMI

Cash to cash cycle:

The financial model is developed to sustain cashflow in the company. The programs are developed for a set cost to suit each individual company, then a subscription bases is used to generate a continuous revenue stream.

The start-up cost estimation for this is R 953 800 (Cash out)

Product is sold by, having a company sit-down consultation and design @ R 5 000.

The program is then tailored to specific company and industry @ R 20 000.

From then on, a monthly fee is charged for continues usage of the software @ R 3 500 pm.

To cover start up cost 37 programs needs to be sold, excluding monthly subscription fee.

The program is estimated to take 1 month of development at an external contractor.

Launch and logistics is estimated to take up to 3 months.

Estimated cash-to-cash cycle is 4 months.

Cash flow shortage dealings;

The finances:

The goal for the company is the acquire as many loyal customers that use the software in as small of a time window as possible. This is because the biggest revenue stream come from the subscription. To be able to reach a positive net worth for the company is the 3 year short term goal, this means that all the start-up cost is covered and all proceeds can go back in to growing the company.