

# MGT1022 Lean Startup Management J Component

### **Business Model Plan Document**

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# ChargeUp

**Business Model Plan** 





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### **Business Model Plan Summary**

### **Business Background**

We all have felt the need for more electric vehicles instead of the one that runs on fossil fuels. When we did a market survey we found the lack of charging stations to be a big factor in the lower number of electric vehicles. But even though charging stations are available, EV owners are not properly aware of them and there is always a lingering doubt if the charging station will be free and available when they want.

Hence we came up with this business solution that aims to curb this issue by providing a one stop solution to all bookings related to charging stations for EVs, which ultimately increases a prospective EV owner's confidence.

### Company

We are planning to be a charging service booking provider for all kinds of electric vehicles. The business is still in its early phases and developing everyday.

Our CEO, Sunil chunchu, has led the team and contributed in every aspect of the plan, motivating the team and giving suggestions.

Our Product Manager, charan, has provided the clear vision of our idea and worked for the development of our product. Also connected with the stakeholders of our startup.

The company's CTO is Amaravathi, has planned the technical aspects of the product, created prototypes as well as compiled the company's BMP video.

Charan who is CMO has devised a plan for marketing to increase user engagement on our website

Our Sales Manager, Dev has forecasted our sales and researched the market to form sales plans. CFO, Ekta has analysed the market and has found out our funding sources. Also she has done the break even analysis of our company.

Ashish who is our Business Development Manager is responsible for maintaining strategic alliances within companies and customers to help grow the business.

And finally our Customer Service Representative, veerendra is responsible for attending all communications that comes from customers' side and provide them with solutions and solve their issues.

### **Industry**

Our business will come under the *Electric Vehicle Infrastructure* industry. The key to growth of the EV industry is the charging on-the-go model which we are targeting. With companies expanding their EV infrastructure around our country India, there is no proper booking service for EV charging stations.

With the government's plan to shift to electric vehicles by 2030, and the plan to achieve net zero emission in future, we are expecting a boom in the number of EV owners hence more customers for ChargeUp and increased profits.

#### The Crucial Areas of the Business Model

### **Unique Value Proposition (UVP) (Offering –Sector 2)**

#### **Products and services**

In India, there are limited charging stations in which the online slot booking service is provided by very few EV producing companies. Our aim is to connect all the charging stations under one platform "Charge Up". This makes our product unique and successful in the market.

- The user must register on our platform to book their slot. They can search nearby locations of the charging station and book their slots. The special feature is that our platform connects all charging stations of different EV producing companies under one platform.
- Benefits:
  - Daily updates on availability of charging stations.
  - o Providing information on locations of nearby charging stations.
  - Easy method for booking slots.
  - Online payment method.
  - Encourages the purchase of eco-friendly vehicles.
  - Indirectly helps to reduce the pollution in the society.

#### Competition

These types of startups can be successfully implemented only in regional areas. As of now there is no startup/competitor that connects all the charging stations under one platform in india. Globally there are some competitors:

- Plugshare
- •EV-Hotels
- Charge Point
- ●EV-Go

These companies compete over the customers because we both target to cover people who are using electric vehicles.

#### **Brand**

Lot of people who don't want to buy EVs have one common fear of charging their vehicles. To reduce this our brand "Charge Up" makes it easy to find charging stations and book their slots at the time they are free. There are no particular applications which provide these services in India. Our brand makes people move towards electric vehicles.

### **Market Attractiveness (Offering – Sector 1)**

### The Target Market:

Proper targeting of our customers is an important factor for marketing of our product. Targeting the people who are interested in our product is a well established strategy for successful market planning.

Knowing about our competitors: We must have complete information about different companies who are our competitors, and their strong points and weak points, so that we can convince the client about our service being better than others.

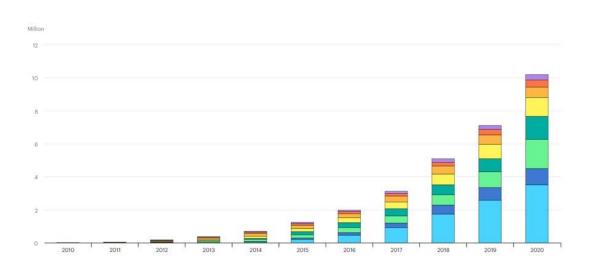
Increasing our network: For a successful marketing plan one must have a wide marketing network, and reliable people who can maintain that network. Making such a large network is not so easy, it requires a huge amount of effort, sometimes we might have to invest huge amounts just to maintain this huge marketing network.

Target Customers are the ones who own Electric vehicles of any type or model and the charging stations who provide the charge for electric vehicles.

### **Market Research and Analysis:**

Governments across the world spent USD 14 billion on direct purchase incentives and tax deductions for electric cars in 2020, a 25% rise year-on-year.

Electric car registrations increased in major markets in 2020 despite the Covid pandemic



The global EV stock across all transport modes expands from over 11 million in 2020 to almost 145 million vehicles by 2030, an annual average growth rate of nearly 30%. In this scenario, EVs account for about 7% of the road vehicle fleet by 2030. EV sales reach almost 15 million in 2025 and over 25 million vehicles in 2030, representing respectively 10% and 15% of all road vehicle sales. The numbers say that the market for EV is very good in the future too.

### **Marketing Plan and Strategy:**

Awareness of the Product – We should plan on how we will intend to make our service known to our intended customer base. You could have the best offering in your industry or niche, but if nobody has heard of it or you, you're as good as sunk. The time to plan your social media, content marketing and advertising campaigns is not when you are ready to go to market!

Who Will Benefit from our Offering – Segmentation, targeting and positioning are the essences of Marketing. Your target customer base will go some way to determining the price you can ultimately charge. It will also determine how you can best communicate your offering to them and where you will find them.

Market a community, not a product Different target audiences might value different requirements, but everyone values their community. Here community means different things depending on your renters' demographics. For young people, community could mean modern clothing, gym equipment, vehicles and electronic gadgets, opportunities for inexpensive family activities, and safe neighborhoods. For seniors, community might mean books, furniture, kitchen equipment and long distance travelling vehicles. When you're marketing a product you're not just marketing that thingy, you need to market the entire community of products as that's what your renters will value.

Do what your competitors won't do by taking steps to oppose them . Make your marketing and advertising campaigns in a new way that the competitors have no idea about or hesitate to do. Give customers more and more attraction towards your market as well as absorb their attention towards your brand.

Profitable marketing plan: Customer to customer network plays an important role in increasing our service. We should establish a marketing network such that to provide benefit to the

introducer of a new client from the previous client. In this way we can improve our relation with customers even further. This type of marketing plan will encourage the clients to introduce new clients to us, and increase our marketing network.

### **Digital Marketing:**

Some modes of digital marketing that we'll use throughout the promotional period of product and services are:

- Social media advertisements
- Website
- Search-Engine-Optimization (SEO)
- Pay Per Click Advertisements
- Email marketing
- •Google ads

We will use PPC in some famous web pages like Times of India, BBC, Hindustan times, NDTV, Indian Express, etc. Where these pages contain majority of the surfers and could be potential if redirected to our webpage. We will start SEO process once we gain some stability so people searching for EV stations will be redirected to our webpage. Some keywords are as follows: EV stations, EV charging points, Electric Vehicle charge, Electric Vehicle, Charge stations.

Google is where people search for what to do, where to go, and what to buy. We can increase the publicity of the services by putting the advertisement of our service on all the google platforms and sub platforms like youtube. Also these advertisements cost around 2L per month, thus this step will be undertaken once the company starts generating a revenue.

Once the target audience has started using the services of our ChargeUp then we can keep in touch with them, ask them for feedback on our services so that we can make the necessary changes and keep ourselves updated according to the market. By doing so we can develop a community of loyal customers. Hence this may also help in increasing the word of mouth publicity of our service.

Of all the reasons why customers buy something, saving money is near the top of the list. This need to save is why discount coupons have become a bigger part of running a successful business.

- Adding Discounts to Lead Forms.
- •Use Limited-Time Offers.
- •Creating a Customer Reward Program.
- •Promo codes and Referrals
- •Premium Subscription

Total Cost for online Marketing:

TYPE OF MARKETING	TOTAL COST FOR EACH	REACH
SOCIAL MEDIA MARKETING	76000 RS	9500
SEARCH ENGINE MARKETING	57500 RS	2600
PAY PER CLICK	700 RS	600
YOUTUBE MARKETING	8030RS	4500
TOTAL	142230	17200

### **Revenue Model (Monetization –Sector 1)**

#### **Margins**

We will need approximately 6 lakhs for setting up our start-up and approximately 2 lakhs per month for subsequently running it. We have planned to obtain 2 lakhs from government schemes especially the Mudra Tarun Scheme and the remaining amount will be self-funded and through boot-strapping (friends and family) as we are new to the market.

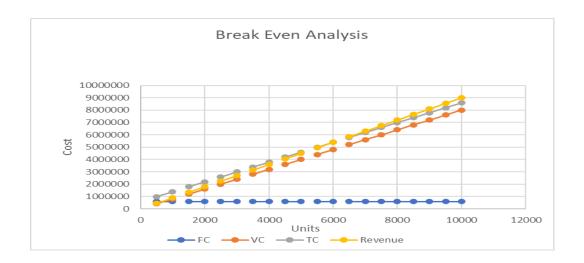
If we charge 5% of total amount on every Electric Vehicle Charging and if we assume that an average of Rs. 150 is accounted for a charging of a single EV, then we will obtain a daily revenue of Rs. 375 approximately and a monthly revenue of Rs. 11,250. The revenue will increase as our website becomes well known in the market.

#### **Cost Advantage**

As very few competitors are currently present in the market who are providing our services and as lack of information on charging stations are a major setback due to which people are hesitant to buy Electric Vehicles, our product is having a much advantage in the market. Initially our services will be rolled out for free to create a brand name in the market. Once we are well aware in the market, we earn our revenue through 2 ways: firstly through monthly premium subscription where a lump some amount will be charged from the customer monthly and secondly a non-premium service will also be present where additional charge will be levied after every EV slot booking made through our website.

#### **Financials**

#### **Break Even Analysis:**



Break Even point is obtained at 5870 slot bookings which means that after 5870 bookings, the company is able to recover all the invested amount and now begins to earn revenue more than the total cost.

#### **Sales Forecast:**

Pr	roduct		2	021			2022			
Floudel		Jan	Apr	Jul	Oct	Jan	Apr	Jul	Oct	
	Price per unit (Rs.)	0	0	1.00		-	-	-	-	
Free Use	Units	100	300	-	-	-	-	-	-	
	Total	0	0	-	-	-	-	-	*	0
=1101	Price per unit (Rs.)	-	-	20	40	50	60	80	100	
EV Charge Station Owner	Units	-	-	50	100	250	600	1500	5000	
otation Owner	Total	-	-	1000	4000	12500	36000	120000	500000	673500
	Price per unit (Rs.)	.=.	150	10	10	15	15	15	20	
EV Owner Normal	Units	-	-	400	1000	2500	6000	20000	50000	
Homai	Total	-	-	4000	10000	37500	90000	300000	1000000	1441500
	Price per unit (Rs.)	-:	-	100	100	100	120	120	150	
EV Owner Premium	Units		-20	150	250	500	1500	3500	8000	
rieilium	Total	-	-	15000	25000	50000	180000	420000	1200000	1890000
1	Total									211500

### **Sales Model (Monetization – Sector 2)**

Initially our services will be provided free of cost to the users, which include both, the EV Charge station owner and the EV Owner. This will be done to launch our product in the market and establish itself amongst the users.

After persistent marketing and with gradual growth of the product, basic charges will be introduced in the application. We plan to follow a 3-step pricing strategy which is as follows:

- The EV charge station owners will be charged a basic commission of 5% of the total billing amount for any user who booked a slot using our application.
- The EV owner will be charged a basic service charge which we added to their total billing amount.
- The EV owner can also opt for a monthly subscription on our application which will provide them special privileges like unlimited free slot bookings, priority based services, extra food coupons and vouchers through the application, etc.

So coming to what will drive our sales and why will people opt for this. Based on the survey conducted by our team, the main reason for not buying an EV is how they will charge it, lack of charging options near them, etc. Hence, our product solves that for them very easily. Secondly to boost our sales we provide food coupons and vouchers of known and unknown food places near the EV Charge station, who are willing to partner with us. This helps both, the user who can refresh himself/herself while they wait for their vehicle to get charged and also the food place owner whose sales increase.

We also plan to partner with popular and leading EV manufacturers and sellers who can explain our product to the EV owner who can become our future customer.

#### **Sales Forecast**

Pro	oduct		20	21			20	)22		Total
Floudet		Jan	Apr	Jul	Oct	Jan	Apr	Jul	Oct	
	Price per unit (Rs.)	0	0		: <del>-</del>	-	-	-	-	
Free Use	Units	100	300	-	-	-	-	-	-	
	Total	0	0	-	-	-	-	-	-	0
	Price per unit (Rs.)	-	-	20	40	50	60	80	100	
EV Charge tation Owner	Units	-	-	50	100	250	600	1500	5000	
	Total	-	-	1000	4000	12500	36000	120000	500000	673500
	Price per unit (Rs.)	•	150	10	10	15	15	15	20	
EV Owner Normal	Units	•	-	400	1000	2500	6000	20000	50000	
	Total	-	-	4000	10000	37500	90000	300000	1000000	144150
	Price per unit (Rs.)		-	100	100	100	120	120	150	
EV Owner Premium	Units	-	-	150	250	500	1500	3500	8000	
	Total	-	-	15000	25000	50000	180000	420000	1200000	189000

### **Sustainable Competitive Advantage (Sustainability – Sector 1):**

We are trying to implement a market penetration strategy to attract EV customers to use our services. No, we do not have any competitive advantage based on differentiation. To retain our skilled and talented workforce, we pay above-average wages, allow employees to speak their thoughts, show respect and appreciation, and provide opportunities for growth.

In India, Our Charge Up was one of the first Start Up companies to offer web services to Electric Vehicle customers. So most of the EV customers will use our service to book their charging slots with a clean and neat website UI with fast payments that might bring loyal customers to use our service regularly. In India, the number of customers using EVs are increasing rapidly. Big companies will likely enter into the market and might be a threat to our Start Up.

#### **Innovation Factor (Sustainability – Sector 2):**

Currently we do not have any IP, trademarks, patents, designs to be registered.

### **Avoidance of Pitfalls (Sustainability – Sector 3):**

We did not have any location handicap. No, we do not have any effect on business if the government changes its Policies. Yes we are financially savvy, our financial department was good. No, we do not have any litigation in our business.

#### **Graceful Exit (Sustainability – Sector 4):**

Yes we have the ability to exit the business gracefully. After launching our website, by using the data collected from customers we can start building new charging stations at required places. In future we are going to offer some of this unique services:

- · A Certified E.V Mechanic in case of sudden breakdown of a car.
- · A Mini Truck to carry the E.V to a nearby charging station in case of total discharge of battery. **Operational Overview and Business Model Score**



### **Operational overview**

Operations the executives is a field of business worried about the organization of strategic approaches to expand proficiency inside an association. It includes arranging, coordinating, and supervising the association's cycles to adjust incomes and costs and accomplish the most elevated conceivable working benefit. An operations chief is entrusted with guaranteeing that the association effectively changes over data sources like materials, work, and innovation into yields in a proficient way.

#### **Ideal Skills of an Operations Manager**

Not at all like the marketing or finance departments, where administrators are answerable for their departments, operations the executives is a cross-office job where the supervisor accepts a variety of obligations across different disciplines. To be effective, an operations administrator should have the accompanying abilities:

### 1. Organizational Abilities

Organizational abilities allude to the capacity of the operations supervisor to zero in on various activities without getting occupied by the many cycles. The operations director ought to have the option to design, execute, and screen each venture as far as possible without losing center.

Assuming a director isn't coordinated, uncompleted errands will stack up, significant reports will become mixed up simultaneously, and a larger part of the time will be spent finding lost archives that could be effectively open had the chief been coordinated. Great association skills can expand creation effectiveness and help the director save time.

#### 2. Coordination

An operations administrator needs to have great coordination by realizing how to incorporate assets, exercises, and time to guarantee legitimate utilization of the assets toward the accomplishment of the association's objectives. Coordination includes doing explicit exercises all the while and exchanging between the exercises easily. It likewise includes managing interferences, snags, and emergencies, and productively returning to the typical routine capacities to forestall further interferences.

#### 3. People Skills

A large portion of the obligations of an operations administrator include managing people. This implies that they should realize how to relate with the workers, outside partners, and different individuals from senior administration. An operations supervisor should realize how to deal with the barely recognizable differences with different associates by realizing how to impart, tune in, and identify with them on expert and individual levels.

Since working environments are comprised of people from assorted societies, the operations director needs to show resistance and comprehension to others. Additionally, the administrator ought to have the option to determine clashes and intercede questions among workers and individuals from the ranking staff.

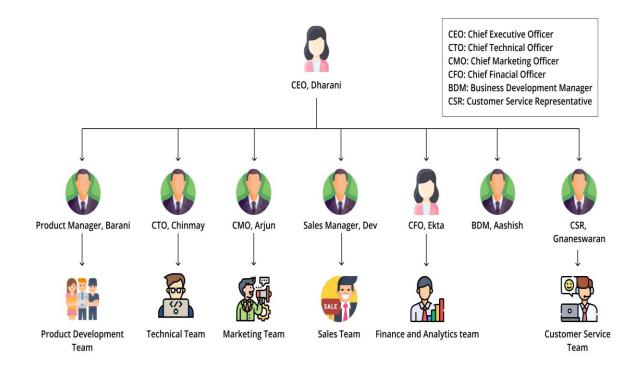
#### 4. Tech-savvy

In this period of quickly propelling technologies, an operations administrator needs to have a proclivity for technology to be in a situation to configuration processes that are both effective and tech-agreeable. Present day associations are turning out to be progressively tech-subordinate to acquire an upper hand on the lookout.

This implies that the greater part of the cycles led physically, like acquisition, should change to more effective robotized processes. At the point when an operations director knows about the most recent developments in the tech business, they can utilize the advancements to work on inside processes.

### **Appendix**

### **Organisational Chart**



### **Products/Services**

Product/Service	Description	Price
Level 1 Charging	120 volt charger. 10 to 15 hours for full charge	Rs.15 per unit
Level 2 Charging	240 volt charger. 6 hours for full charge	Rs.40 per uit
Level 3 Charging	480 volt charger. Less than an hour for full charge.	Rs.80 per unit

# **SWOT Analysis**

Strengths	Weaknesses
•EV's are future •User friendly •Free of cost	<ul> <li>Power scarcity might come</li> <li>Power bills might go high</li> <li>Implementation will be bit tough</li> </ul>
Opportunities	Threats
<ul> <li>Worked in few projects which will be boost to this project</li> <li>Worked in groups where we have taken leadership goals</li> </ul>	<ul> <li>Being a project there will be times for overworking hours</li> <li>Many distractions</li> </ul>

# Competitors

Competitor	Establishe d date	Size	Market share (%)	Value to customers	Strengths	Weaknes ses
Evhotels	2018	30	30	service	Find EV hotels using one source that includes both public charging stations and hotels	Don't have much EV points in india
GOOGLE MAPS	2005	400	70	Free application	Well established app	Limited accuracy
PLUG SHARE	2009	120	43	service	User friendly	More establish ed in australia and canada

### **Sales & Distribution Channels**

Channel Type	Product/Services	Percentage of Sales (%)	Advantages	Disadvantages
EV Charge Station Owner	Commission	17	Charge Station Owners benifit with a boost in sales as more users turn up to get their EV charged	The commission charged might lead few owners to stop the use of our app
EV Owner Normal	Service Charge	36	For each slot booking a basic amount is charged for the service we provide where we provide payment interface also.	Some users might feel paying unnecessary service charge
EV Owner Premium	Monthly Subscription	47	One monthly payment with auto-renewal feature, along with additional perks like priority service and extra food coupons and vouchers	May decrease if competitors enter the market, or might resort to normal plans instead of premium one

### **START-UP COSTS:**

ASSET	Cost
Web Developers (2)	Rs 30000 x2 = Rs 60000
UI/ UX designing	Rs 100000
Database Hosting (Per month)	Rs 72000
Digital Advertising (Per month)	Rs 5000
Workspace (Laptops with internet connection)	Rs 250000
Human Resources (Per month)	Rs 50000
Office Space Rent	Rs 50000

Initial Investment = Rs 5,87,000

Running Costs= Rs 1,77,000

Fixed costs – Rs 587000

Variable costs- Rs 800

### **Break Even Analysis:**

Units correspond to No. of slot bookings made through our website

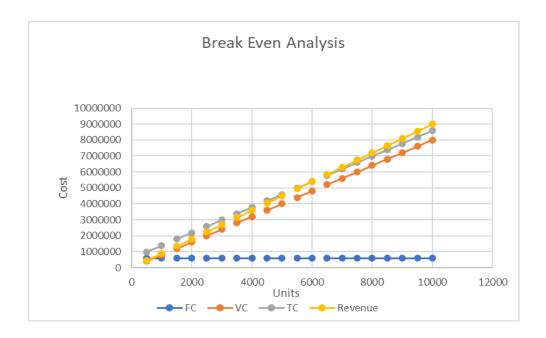
**FC** corresponds to Fixed Cost

**VC** corresponds to Variable Cost

**TC** corresponds to Total Cost

**BEP** corresponds to Break Even Point

1 A	В	C	D	E	F	G	H
Break Even	Analysis					VC	800
						SP	900
						FC	587000
Units	FC	VC	TC	Revenue			
						BEP	5870
500	587000	400000	987000	450000			
1000	587000	800000	1387000	900000			
1500	587000	1200000	1787000	1350000			
2000	587000	1600000	2187000	1800000			
2500	587000	2000000	2587000	2250000			
3000	587000	2400000	2987000	2700000			
1							
3500	587000	2800000	3387000	3150000			
4000	587000	3200000	3787000	3600000			
4500	587000	3600000	4187000	4050000			
5000	587000	4000000	4587000	4500000			
0							
1 5500	587000	4400000	4987000	4950000			
2 6000			5387000	5400000			
3	387000	4800000	3387000	3400000			
	F87000	F200000	F707000	F0F0000			
6500			5787000	5850000			
7000			6187000	6300000			
5 7500			6587000	6750000			
8000			6987000	7200000			
8500			7387000	7650000			
9000	587000	7200000	7787000	8100000			
9500	587000	7600000	8187000	8550000			
10000	587000	8000000	8587000	9000000			
10500	587000	8400000	8987000	9450000			
110000	587000	88000000	88587000	99000000			
11500	587000	9200000	9787000	10350000			
12000	587000	9600000	10187000	10800000			
12500	587000	10000000	10587000	11250000			
13000	587000	10400000	10987000	11700000			
13500		10800000					
14000		11200000					
14500	587000 11	600000 121	87000 1305	0000			
11000	20,000 11	121	2,000 1000	0000			
15000	F07000 45	2000000 125	07000 4050	0000			



Break Even point is obtained at 5870 slot bookings which means that after 5870 bookings, the company is able to recover all the invested amount and now begins to earn revenue more than the total cost.

### **Risk Analysis**

Risk	Likelihood	IMPACT	STRATEGY
Power scarcity	likely	medium	Solar power projects
High power bills	unlikely	medium	Using own solars and maintaining reasonable bills
EV vehicle production	Highly unlikely	high	Collabing with ev producing industries

# Prototype





Existing user? <u>login</u>

### ChargeUp

We provide you ability to easily find charging point and help you plan your journey effectively. So you can relax and have  $% \left( 1\right) =\left( 1\right) \left( 1\right)$ fun.

Signup with us to find the best deals at charging points with more benefits.

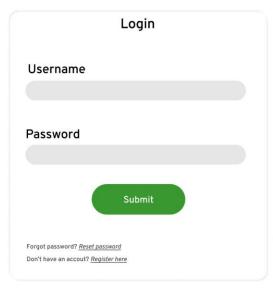


About us

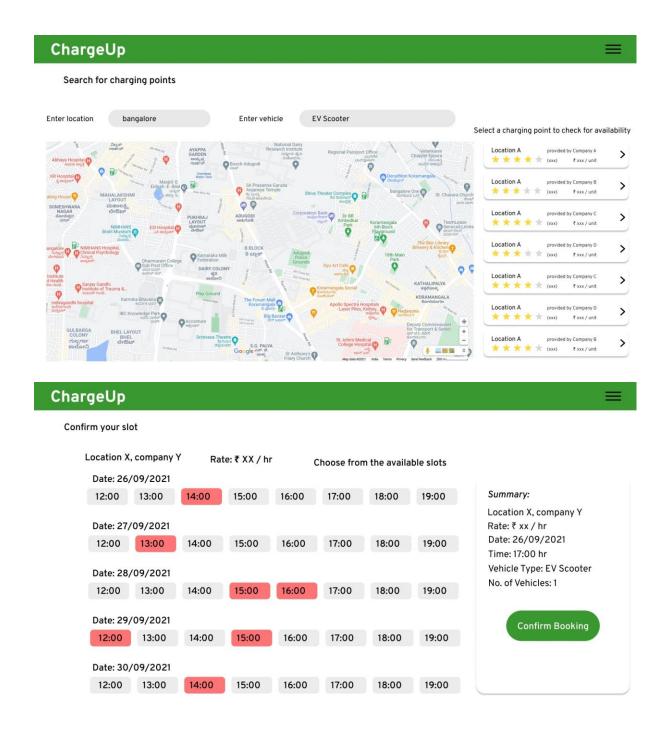
**Business Queries** 

## ChargeUp









### **Supporting Documentation:**

A survey had been conducted about electric vehicles and their charging stations.

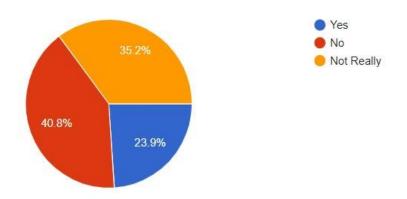
The Results from the survey done:

Not many of them know the locations of the charging stations even though they own an electric vehicle which makes it difficult for them when they have to travel longer distances . That's when our service provides them the solution to tell them the locations and provides a slot booking system.

SURVEY LINK: <a href="https://forms.gle/RKB5KAhiSgjxR4rM9">https://forms.gle/RKB5KAhiSgjxR4rM9</a>

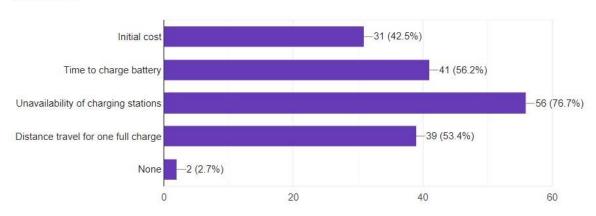
If you own an EV Are you aware of locations of charging stations in your city?

71 responses



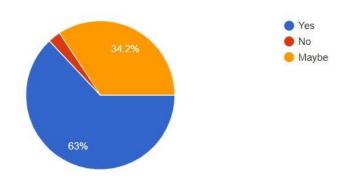
What do you think the drawbacks of electric cars?

73 responses



Would having access to an electric vehicle charging station at your locality increase the probability that you would purchase an electric or plug-in hybrid electric vehicle in the future?

73 responses



63% have said they would consider buying an EV if there is an increase in the charging stations.