

# LSM ASSESSMENT 7

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What are the legal and regulatory standards to be maintained for a business.

## **Revenue Model (Monetization )**

### *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

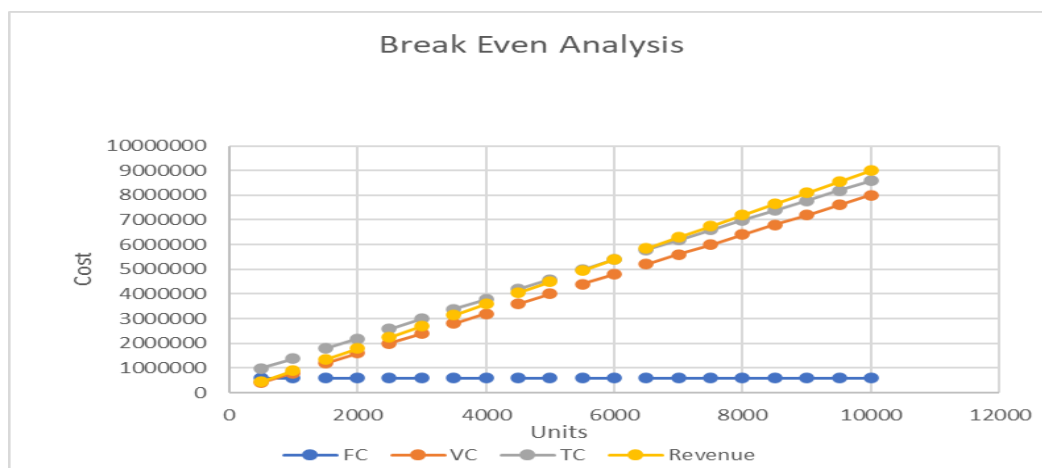
TYPE OF MARKETING	TOTAL COST FOR EACH	REACH
SOCIAL MEDIA MARKETING	76000 RS	9500
SEARCH ENGINE MARKETING	57500 RS	2600
PAY PER CLICK	700 RS	600
YOUTUBE MARKETING	8030RS	4500
<b>TOTAL</b>	<b>142230</b>	<b>17200</b>

### *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:

Quarterly SALES FORECAST for ChargeUp till 2022									
Product		2021				2022			
		Jan	Apr	Jul	Oct	Jan	Apr	Jul	Oct
Free Use	Price per unit (Rs.)	0	0	-	-	-	-	-	-
	Units	100	300	-	-	-	-	-	-
	Total	0	0	-	-	-	-	-	-
EV Charge Station Owner	Price per unit (Rs.)	-	-	20	40	50	60	80	100
	Units	-	-	50	100	250	600	1500	5000
	Total	-	-	1000	4000	12500	36000	120000	500000
EV Owner Normal	Price per unit (Rs.)	-	-	10	10	15	15	15	20
	Units	-	-	400	1000	2500	6000	20000	50000
	Total	-	-	4000	10000	37500	90000	300000	1000000
EV Owner Premium	Price per unit (Rs.)	-	-	100	100	100	120	120	150
	Units	-	-	150	250	500	1500	3500	8000
	Total	-	-	15000	25000	50000	180000	420000	1200000
Total									2115000

### 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

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Free Use	Price per unit (Rs.)	0	0	-	-	-	-	-	-	
	Units	100	300	-	-	-	-	-	-	
	Total	0	0	-	-	-	-	-	-	0
EV Charge Station Owner	Price per unit (Rs.)	-	-	20	40	50	60	80	100	
	Units	-	-	50	100	250	600	1500	5000	
	Total	-	-	1000	4000	12500	36000	120000	500000	673500
EV Owner Normal	Price per unit (Rs.)	-	-	10	10	15	15	15	20	
	Units	-	-	400	1000	2500	6000	20000	50000	
	Total	-	-	4000	10000	37500	90000	300000	1000000	1441500
EV Owner Premium	Price per unit (Rs.)	-	-	100	100	100	120	120	150	
	Units	-	-	150	250	500	1500	3500	8000	
	Total	-	-	15000	25000	50000	180000	420000	1200000	1890000
Total										2115000

## 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