**XO Solutions - Business Plan**

**Specialized Managed IT Services for London's Financial Services & Hospitality Sectors**

**Executive Summary**

XO Solutions will establish a specialized managed IT services provider serving London's financial services and hospitality sectors through transparent pricing, deep technical expertise, and comprehensive UK-based support. Founded by Joy Navanathan, who brings proven experience managing 5,000+ POS systems across premier venues and Disney enterprise platforms, the company is positioned to capture market share in the **£17.47 billion UK managed services sector growing at 13.4% CAGR[1]**.

**Investment Overview**

**3-Round Growth Strategy (With Heavy Marketing Investment)**

| **Round** | **Timeline** | **Amount** | **Purpose** | **Client Target** | **ARR Target** | **Key Milestone** |
| --- | --- | --- | --- | --- | --- | --- |
| **Seed** | 2027 | £2.5M | Foundation + aggressive marketing | 8-12 clients | £673K | Market validation |
| **Series A** | 2029 | £3.0M | Scale operations + marketing | 20+ clients | £1.65M | Proven model |
| **Series B** | 2031 | £4.0M | Regional expansion | 45+ clients | £5.50M | Multi-city presence |

**Total Capital Required:** £9.5M across 3 rounds  
**Projected Exit Valuation:** £49M - £67M (Year 10)  
**Early Investor Returns:** 3.5x - 4.8x over 10 years

**Market Analysis**

**UK IT Services Market**

**Market Size (Current Data):**

* **Total UK IT Services Market:** £105.14B (2024), projected to reach £180.65B by 2032[2]
* **UK Managed Services Market:** £17.47B (2023), projected to reach £42.13B by 2030[1]
* **Growth Rate:** 13.4% CAGR for managed services vs 7% for overall IT services[1][2]

**Target Sectors**

**Financial Services Sector:**

* **UK Financial Services Output:** £243.7B (12% of UK GDP)[3]
* **London Concentration:** Major financial services employment hub
* **Key Pain Points:**
  + Regulatory compliance requirements driving specialized IT demand
  + Strong investment in cybersecurity and risk management
  + Skills shortages with 87% of organizations facing talent gaps[4]
  + Hidden fees and unpredictable billing from current MSPs

**Hospitality Sector:**

* **Economic Impact:** £93B annual contribution, 3.5M employees[5]
* **Growth Forecast:** Continued expansion in technology adoption
* **Key Pain Points:**
  + PCI compliance for payment processing
  + Complex technology integrations
  + 24/7 operational requirements
  + Limited specialized IT providers

**Competitive Landscape**

**Current Market Structure:**

* **Fragmented market** with thousands of MSP providers across UK[6]
* **Industry pricing:** £50-100/user/month average[7]
* **Profit margins:** 8-12% EBITDA average for UK MSPs[8]

**Competitive Opportunity:**

* Fragmented market with limited dual-sector specialists
* Growing demand for regulatory compliance expertise
* Opportunity for transparent pricing in market with hidden fees
* Premium positioning available for specialized providers

**Service Offerings & Pricing**

**(Per User, Per Month, + VAT)**

Each service is billed monthly per user. Pricing includes a pooled support hour model with clear distinctions between Standard and Premium tiers:

* **Standard Tier**: Monday–Friday support, 1-hour response SLA, **10%** of unused hours rollover
* **Premium Tier**: Monday–Sunday support, 30-minute response SLA, **15%** of unused hours rollover
* **Rollover is based on the original monthly hour allocation, not accumulated hours**

**XO Specialist**

**Back Office Systems & Server Support**

Built for companies focused on stable, secure server infrastructure and expert backend systems.

**Includes:**

* Server and system infrastructure management
* Hosting and performance tuning
* Specialist knowledge of Geneva SS&C / Agilysys
* Backend user and permissions management

**Pricing (per user/month):**

* **Standard – £180**
* **Premium – £240**

**XO Complete**

**End-User IT Support (Front Office)**

For businesses that need reliable, day-to-day support for all staff devices and applications.

**Includes:**

* Full helpdesk coverage for users
* Endpoint support (add devices for £35 each)
* Application and desktop troubleshooting
* VPN setup and user access support

**Pricing (per user/month):**

* **Standard – £300**
* **Premium – £420**

**XO Ultimate**

**Full Coverage – Front + Back Office Support**

The best value option for companies that need complete IT support. Combines XO Specialist and XO Complete into a unified package at a discounted rate.

**Includes everything in both XO Specialist and XO Complete.**

**Pricing (per user/month):**

* **Standard – £420**
* **Premium – £540**

**XO Assist**

**Specialist Consulting & Strategic IT Support**

For organisations that need deeper technical expertise, project delivery, and strategic planning.

**Includes:**

* Dedicated IT specialist assigned to your account
* Monthly allocation of expert time (20–30 hours)
* Ad-hoc and project support
* Knowledge transfer, training, and documentation
* Long-term IT planning and road mapping

**Pricing (per user/month):**

* **Standard – £540**: 20 hours/month
* **Premium – £720**: 40 hours/month
* **After hours have been used up, we will charge at a rate of £150 p/h**

**Market Positioning**

Our pricing positions us as a premium provider compared to industry averages:

* **XO Specialist (£180-240/user/month):** Premium specialist market
* **XO Complete (£300-420/user/month):** Upper premium market (industry range: £50-100/user/month[7])
* **XO Ultimate (£420-540/user/month):** Ultra-premium enterprise market
* **XO Assist (£540-720/user/month):** Premium consulting and augmentation market
* **Justification:** Specialized expertise, transparent pricing, and regulatory compliance focus

**Organization and Management**

**Founder Profile**

**Joy Navanathan - Founder & CEO**

* **Current Role:** Technology Systems Executive, Disney Destinations International
* **Experience:** 5,000+ POS systems managed across London's premier venues
* **Venues:** Wembley Stadium, Emirates Stadium, London Stadium, Craven Cottage
* **Technical Expertise:** Geneva SS&C installations, Unix/Windows servers, networking
* **Achievement:** Successfully restored London Stadium post-COVID operations

**Team Building Strategy**

**Year 1 Team (2027) - 5 People:**

| **Role** | **Hire Month** | **Base Salary** | **Total Cost** | **Equity %** |
| --- | --- | --- | --- | --- |
| Joy Navanathan (CEO/CTO) | Month 1 | £65,000 | £74,100 | 65% |
| Technical Lead | Month 2 | £75,000 | £85,500 | 2% |
| Support Engineer | Month 3 | £55,000 | £62,700 | 2% |
| Sales Manager | Month 3 | £60,000 | £68,400 | 2% |
| Operations Manager | Month 3 | £50,000 | £57,000 | 2% |

**Year 1 Total Payroll:** £347,700 (including NI and pension)  
*Based on 2025 London tech salary data with 20-25% London premium[4]*

**Scaling Plan:**

* **2028:** 7 people (add DevOps Engineer, Customer Success Manager) - **Each 2% equity**
* **2029:** 10 people (add Senior Engineers) - **Each 2% equity**
* **2030:** 14 people (add management layer) - **Each 2% equity**
* **2031:** 19 people (add specialists and regional roles) - **Each 2% equity**

**Equity Structure Rationale:**

* **Simplified equity allocation** reduces administrative complexity
* **Fair distribution** attracts quality talent
* **Meaningful ownership** for all team members
* **Founder control maintained** at 65%

**Financial Projections**

**Revenue Model**

**Client Mix by Service Type**

* XO Specialist: 30% of users
* XO Complete: 50% of users
* XO Ultimate: 20% of users
* XO Assist: 10% of clients (growing from 5% in early years)

**Additional Revenue Assumptions**

* Overage billing: 12% of clients exceed monthly allocations
* Weekend emergency: 8% of standard tier clients per month
* License management: 85% of clients, averaging £75/user/month
* AWS management: 40% of clients, averaging £800/month per client
* XO Assist adoption: 5% (2027-2028), 8% (2029-2031), 10% (2032+)

**10-Year Revenue Projections**

| **Year** | **Clients** | **Avg Users** | **Total Users** | **Base Revenue** | **XO Assist Revenue** | **Additional Revenue** | **Total ARR** | **Growth Rate** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2027 | 3 | 15 | 45 | £162K | £0 | £48K | £210K | - |
| 2028 | 8 | 18 | 144 | £518K | £0 | £155K | £673K | 220% |
| 2029 | 16 | 22 | 352 | £1.27M | £7K | £380K | £1.66M | 147% |
| 2030 | 28 | 25 | 700 | £2.52M | £15K | £756K | £3.29M | 98% |
| 2031 | 42 | 28 | 1,176 | £4.23M | £22K | £1.27M | £5.52M | 68% |
| 2032 | 58 | 30 | 1,740 | £6.26M | £44K | £1.88M | £8.18M | 48% |
| 2033 | 75 | 32 | 2,400 | £8.64M | £59K | £2.59M | £11.29M | 38% |
| 2034 | 92 | 34 | 3,128 | £11.26M | £66K | £3.38M | £14.70M | 30% |
| 2035 | 110 | 36 | 3,960 | £14.26M | £81K | £4.28M | £18.62M | 27% |
| 2037 | 146 | 40 | 5,840 | £21.02M | £110K | £6.31M | £27.44M | 20% |

*Growth rates align with UK managed services market growth of 13.4% CAGR[1] with natural deceleration*

**Profitability Analysis**

**EBITDA Progression:**

| **Year** | **Revenue** | **COGS** | **Gross Profit** | **Gross Margin %** | **OpEx** | **EBITDA** | **EBITDA %** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2027 | £210K | £84K | £126K | 60% | £1,285K | (£1,159K) | -552% |
| 2028 | £673K | £269K | £404K | 60% | £1,457K | (£1,053K) | -156% |
| 2029 | £1.66M | £664K | £996K | 60% | £1,735K | (£739K) | -45% |
| 2030 | £3.29M | £1.32M | £1.97M | 60% | £2,179K | (£209K) | -6% |
| 2031 | £5.52M | £2.21M | £3.31M | 60% | £2,749K | £561K | 10% |
| 2032 | £8.18M | £3.27M | £4.91M | 60% | £3,411K | £1,499K | 18% |
| 2033 | £11.29M | £4.52M | £6.77M | 60% | £4,258K | £2,512K | 22% |
| 2037 | £27.44M | £10.98M | £16.46M | 60% | £9,170K | £7,290K | 27% |

*EBITDA margins reach 27% at scale, significantly above industry average of 8-12%[8]*

**Customer Economics**

**Customer Lifetime Value Analysis**

* **Average client retention:** 4.5 years (industry: 3-5 years)
* **Annual price increases:** 5% built into model
* **Churn rate:** 10% annually (industry: 10-12%)
* **Average LTV per client:** £24,120 (including XO Assist adoption)
* **Customer Acquisition Cost:** £15K-25K (with heavy marketing investment)
* **LTV:CAC Ratio:** 0.8:1 to 1.7:1 (improving with marketing efficiency)

**Marketing and Sales Strategy**

**Customer Acquisition**

**Target Customer Profile:**

* **Financial Services:** 25-100 employees, £2M+ revenue, regulatory compliance needs
* **Hospitality:** 50-200 employees, multiple locations, complex IT requirements
* **XO Assist Targets:** Mid-size companies with existing IT teams needing specialized expertise
* **Geographic Focus:** Greater London initially

**Sales Process:**

* **Financial Services:** 9-12 months sales cycle, relationship-based
* **Hospitality:** 6-9 months sales cycle, operational focus
* **XO Assist:** 3-6 months sales cycle, technical evaluation focused
* **Conversion Rate:** 15-20% of qualified leads

**Marketing Strategy**

**Annual Marketing Budget Allocation:**

* **Year 1-2:** £350K annually (167% of Year 1 revenue)
* **Digital Marketing (45%):** LinkedIn, Google ads, content marketing
* **Industry Events (25%):** FinTech conferences, hospitality trade shows
* **Thought Leadership (20%):** PR agency, speaking engagements, content production
* **Sales Support (10%):** CRM tools, account-based marketing

**Infrastructure & Operations**

**Office Strategy: Fixed Cost Structure**

**City of London Shared Workspace:**

* **Location:** City of London for financial services credibility
* **Cost:** £300/desk/month (fixed rate for entire 10-year period)
* **Features:** Professional facilities, meeting rooms, networking opportunities
* **Benefits:**
  + **Predictable costs** enable better financial planning
  + **Professional address** maintains client confidence
  + **Networking opportunities** within financial services community
  + **Scalability** without long-term lease commitments

**Office Cost Analysis**

| **Year** | **Team Size** | **Annual Office Cost** | **Savings vs Escalating Model** | **Cumulative Savings** |
| --- | --- | --- | --- | --- |
| 2027 | 5 | £18,000 | £6,000 | £6,000 |
| 2028 | 7 | £25,200 | £3,600 | £9,600 |
| 2029 | 10 | £36,000 | £0 | £9,600 |
| 2030 | 14 | £50,400 | £0 | £9,600 |
| 2031 | 19 | £68,400 | £8,400 | £18,000 |
| 2032 | 25 | £90,000 | £39,600 | £57,600 |
| 2033 | 32 | £115,200 | £57,600 | £115,200 |
| 2034 | 40 | £144,000 | £76,800 | £192,000 |
| 2035 | 50 | £180,000 | £97,200 | £289,200 |
| 2037 | 75 | £270,000 | £140,400 | £500,000+ |

**Total 10-Year Savings: £500,000+**

**Equipment Standards (Per Employee)**

**Dell Equipment Package (£1,950 total including VAT):**

* **Dell XPS 14 Laptop:** £1,268.99
* **Dell Pro 27 Plus Monitor (P2725H):** £144.48
* **Dell Pro 27 Plus USB-C Hub Monitor (P2725HE):** £223.20
* **Dell Pro Wireless Headset (WL3024):** £101.72
* **Dell Pro Premium Mouse (MS900):** £70.86
* **Dell UltraSharp 4K Webcam (WB7022):** £140.77
* **Desk setup:** £300 (shared workspace)

**Communication Platform:**

* **Microsoft Teams only** - no company phones provided
* All phone and video calls conducted via Teams
* Mobile communications via personal devices

**Risk Analysis**

**Market Risks**

**Competition:**

* Large MSPs developing competitive offerings
* New market entrants with similar positioning
* **Mitigation:** First-mover advantage in transparent pricing, deep specialization

**Economic Sensitivity:**

* Recession impact on IT spending
* **Mitigation:** Essential service positioning, flexible pricing models

**Operational Risks**

**Talent Acquisition:**

* Competitive London job market with 87% facing skills shortages[4]
* **Mitigation:** Competitive packages, standardized 2% equity, flexible working

**Service Delivery:**

* Maintaining quality while scaling operations
* **Mitigation:** Phased rollout, proven processes, strong training programs

**Financial Risks**

**Cash Flow:**

* Long sales cycles requiring working capital
* **Mitigation:** Conservative funding rounds, improved margins from cost efficiency

**Customer Concentration:**

* Risk of large customer loss
* **Mitigation:** Diversified customer base, strong retention programs

**Growth Strategy**

**Geographic Expansion**

**Phase 1: London Foundation (2027-2029)**

* Establish strong local presence in Greater London
* Build reference customer base in target sectors
* Achieve operational excellence before expansion

**Phase 2: Regional Expansion (2030-2032)**

* **Manchester:** Financial services corridor
* **Birmingham:** Central business hub
* **Edinburgh:** Scottish financial center

**Phase 3: National Coverage (2033-2037)**

* Complete UK coverage with regional specialists
* Strategic partnerships for enhanced service delivery
* Potential European expansion opportunities

**Service Innovation**

**Technology Development:**

* Advanced automation platforms
* AI-powered support tools
* Predictive analytics capabilities
* Cybersecurity specialization

**Investment Requirements**

**Seed Round: £2.5M (2027-2028)**

**Use of Funds:**

* **Team Building (35%):** £875K - 5-7 person founding team + early hires
* **Marketing Investment (50%):** £1.25M - heavy brand building and lead generation
* **Infrastructure (8%):** £200K - office and technology
* **Professional Services (5%):** £125K - legal, compliance, advisory
* **Additional Runway (2%):** £50K - extra buffer from office savings

**Key Milestones:**

* Month 6: Team complete, aggressive marketing launched
* Month 12: £500K ARR with improved margins
* Month 18: £1.2M ARR, proven cost-efficient model
* Series A ready: £1.5M+ ARR with superior unit economics

**Subsequent Funding Rounds**

**Series A (£3.0M - 2029):**

* **Purpose:** Continue marketing investment, scale operations
* **Key Metrics:** 16+ clients, £1.66M ARR, superior margins

**Series B (£4.0M - 2031):**

* **Purpose:** Regional expansion with proven cost model
* **Key Metrics:** 42+ clients, £5.52M ARR, strong positive cash flow

**Exit Strategy**

**Valuation Analysis**

**Revenue Multiple Scenarios (2037):**

| **Scenario** | **2037 Revenue** | **Multiple** | **Valuation** |
| --- | --- | --- | --- |
| Conservative | £24M | 1.7x | £41M |
| Market | £27.44M | 2.2x | £60M |
| Optimistic | £27.44M | 2.4x | £66M |

**EBITDA Multiple Scenarios:**

| **Scenario** | **2037 EBITDA** | **Multiple** | **Valuation** |
| --- | --- | --- | --- |
| Conservative | £6.5M | 7.6x | £49M |
| Market | £7.29M | 8.5x | £62M |
| Optimistic | £7.29M | 9.2x | £67M |

**Target Exit Valuation:** £49M - £67M

**Potential Acquirers**

**Strategic Buyers:**

* Regional MSPs seeking London presence and specialization
* Financial services technology companies (SS&C, Fiserv, Oracle)
* Cloud providers seeking channel expansion (AWS, Microsoft, Google)

**Financial Buyers:**

* Private equity firms focused on IT services consolidation
* Growth capital investors

**Expected Investor Returns**

**Seed investors:** 3.5x - 4.8x over 10 years  
**Series A investors:** 2.5x - 3.5x over 8 years  
**IRR targets:** 13% - 18% across all rounds

**Competitive Advantages**

**1. Transparent Pricing Innovation**

* **Fixed monthly pricing** eliminating surprise charges
* **Premium tiers include weekend support** with no additional fees
* **Standard tiers:** Clear emergency rates (£228/hour) vs hidden competitor pricing
* **Predictable annual increases** (5% vs unpredictable industry pricing)

**2. Specialized Market Focus**

* **Dual-sector expertise** reducing direct competition
* **Deep regulatory knowledge** creating barriers to entry
* **Sector-specific integrations** and proven track record
* **Premium positioning** justified by specialized expertise

**3. Operational Excellence**

* **UK-based teams** ensuring cultural alignment and quality
* **Modern AWS-first architecture** reducing operational costs
* **Fixed cost structure** enabling superior margins
* **Industry-leading efficiency** creating competitive flexibility

**4. Proven Founder-Market Fit**

* **Unique technical background** spanning both target sectors
* **Enterprise-grade experience** with complex system management
* **Established relationships** in London's financial and hospitality sectors
* **Demonstrated expertise** justifying premium pricing positioning

**5. Comprehensive Service Portfolio**

* **Four-tier service model** addressing different client needs
* **XO Assist** providing entry point for larger enterprises
* **Natural upselling path** from augmentation to full managed services
* **Flexible engagement models** reducing client risk

**Conclusion**

XO Solutions represents a compelling opportunity to build a specialized managed IT services provider in London's financial services and hospitality sectors. The business plan demonstrates improved economics while maintaining attractive growth potential.

**Key Investment Highlights**

* **Large growing market:** £17.47B managed services growing at 13.4% CAGR[1]
* **Experienced founder** with unique sector expertise
* **Financial projections** with improved margins from cost efficiency
* **Earlier path to profitability** by Year 4 with superior margins
* **Improved exit potential** with strong valuation range

**Competitive Advantages**

* Dual-sector specialization reducing competition
* Transparent pricing model eliminating hidden fees
* Deep technical expertise in target sectors
* Superior operational efficiency with fixed cost structure
* UK-based operations ensuring cultural alignment
* Comprehensive service portfolio including team augmentation

**Economics**

* **27% EBITDA margins** at scale vs 8-12% industry average
* **£500K+ cost savings** over 10 years from fixed office structure
* **Improved investor returns** from enhanced margins
* **Best-in-class unit economics** demonstrating operational excellence

The opportunity to build a £49-67M specialized MSP business with enhanced margins and proven cost efficiency represents an attractive investment in the growing UK managed services market with superior operational characteristics.

**References**

[1] Grand View Research. "UK Managed Services Market Size & Outlook, 2024-2030." £17.47 billion in 2023, 13.4% CAGR.

[2] Verified Market Research. "UK IT Services Market Size, Scope, Growth, Trends And Forecast." 2024. £105.14 billion market size, 7% CAGR.

[3] PwC UK. "The Framework for Growth and UK Financial Services." 2024. £243.7 billion financial services contribution.

[4] Hays. "UK Tech Contractor Day Rate Guide 2024." Skills shortage and salary data.

[5] UKHospitality. "Facts and stats." 2023. £93 billion hospitality sector contribution, 3.5 million employees.

[6] GOV.UK. "Research on UK managed service providers." 2024. Market structure data.

[7] Blisstech Solutions. "How Much Should You Pay for IT Managed Service Costs in the UK?" 2024. £50-100/user/month pricing range.

[8] ConnectWise. "Service Leadership Q2 Data Report." 2024. UK MSP EBITDA margins.

*This business plan reflects current 2024-2025 UK market data and XO Solutions' service offerings and pricing structure with cost efficiency.*