CloudOptimaAI

Business Plan

Presented By: Jason Kim, Austin He, Sophia Baig, Sydney Loats

COMPANY DESCRIPTION

In the changing world of enterprise technology, we're witnessing an industry shift where Software as a Service (SaaS) is becoming the prevailing business model, replacing the conventional model of software management. SaaS vendors collaborate with cloud providers such as AWS, Azure, and Google Cloud to enhance and deliver their services. These cloud providers continually introduce services, offering opportunities for SaaS vendors to optimize operations and reduce costs, however, understanding dependencies and usage costs of cloud services can be complex and costly, often requiring trial and error.

CloudOptimaAI is at the forefront of revolutionizing Software as a Service (SaaS) operations with its cutting-edge artificial intelligence (AI) model. Our mission is to empower companies by providing a robust optimization AI that transforms SaaS operations, strategically reducing operational costs. Our solution analyzes and streamlines various facets of SaaS operations, optimizing resource allocation and increasing overall efficiency. As the cloud market grows, we are committed to driving cost savings, promoting sustainability, and catalyzing innovation in the SaaS industry. CloudOptimaAI is dedicated to enabling companies to maximize the value of their SaaS investments, ensuring they operate at peak performance while minimizing operational expenditures.

TARGET AUDIENCE

We plan on targeting smaller businesses of around 100 to 1000 employees that have an annual revenue between $1 million and $10 million and rely on AWS services, typically using around 200 to 300 containers. Because these companies likely have more flexibility and limited budgets, they would be more incentivized to spend money on cloud optimization tools to reduce business costs.

PRODUCT DESCRIPTION

Our optimization/AI model will provide our companies with the following:

1. Anomaly detection and forecasting for future costs based on usage.
2. Ability to visualize and analyze costs to understand and attribute sources.
3. Simplification of billing models to recommend optimizations and compare costs for different configurations.
4. Periodically checking if the current environment is optimal with a constraint solver and AWS cost explorer.
5. Alerting and using AWS Auto Scale to solve the environment.
6. Priority onboarding for quicker and smoother setup.

TECHNICAL IMPLEMENTATION

Author: Austin He

- **Alerting:** Genetic algorithm to check if current configuration is optimal under certain constraints, such as availability, performance, data redundancy. Send an alert if a better configuration is found.
- **Optimizing:** Configure dynamic auto-scaling policy to solve the environment.
- **Forecasting model:** LSTM networks.
- **Anomaly detection:** Check if current cost exceeds projected cost by a certain amount.
- **Data:** CloudWatch data such as CPU utilization, inbound and outbound traffic, throttled events, etc. Covers ec2, s3, redshift, DynamoDB, lambda, and kinesis.

COMPETITORS

Author: Jason Kim

Productiv: SaaS Discovery and Inventory, SaaS Cost Optimization. Onboarding takes 2-4 weeks.

Zylo: SaaS Spend Analytics, SaaS Optimization Recommendations, SaaS Contract Management. Onboarding takes months.

nOps: Cloud Cost Visibility, Cloud Cost Optimization Recommendations, Cloud Cost Automation. Onboarding takes 2-4 weeks.

OUR COMPETITIVE ADVANTAGES

Forecasting Forecast future cloud costs and usage metrics, using our powerful AI model	**Convenience** Offer priority onboarding for quicker and smoother setup!
Constant Checking Periodically check if current environment is optimal with a constraint solver and AWS cost explorer	**Alert and Solve** Alerting and using AWS Auto Scale to solve environment

None of our main competitors are able to forecast future cloud costs and usage metrics, so we will use this as leverage to help us have a competitive edge. As evident in our competitors' descriptions, they all have timely onboarding processes; thus, we will offer priority onboarding, ensuring a guaranteed completion within one week.

PRICING MODEL

Author: Jason Kim

Plan	Monthly Fee (Yearly Contracts)	Regular Optimization Checks with Alerting	Forecast Future Cloud Costs & Usage	One-Click Environment Solver	Data Ingestion (GB)	Additional Data Cost per GB
Base Plan	$40/container	Yes	No	No	20/month	$2
Advanced Plan	$60/container	Yes	Yes	No	50/month	$2
Enterprise Plan	$80/container	Yes	Yes	Yes	100/month	$2

- Priority Onboarding Add-On: $15/container
- One-Click Environment Solver Add-On: $5/container per use

Figure 1

Our pricing model is illustrated in Figure 1 and is based on how many containers a company uses, under *yearly* contracts. The Base Plan costs a fee of $40 per container per month and includes regular optimization checks with alerting. The included amount of data ingestion for this plan is 20GB. The Advanced Plan costs a fee of $60 per container per month and includes regular optimization with checks and alerting and forecasting future cloud costs and usage metrics. The included amount of data ingestion for this plan is 50GB. The Enterprise Plan costs an annual fee of $80 per container and includes regular optimization with checks, alerting and forecasting

future cloud costs and usage metrics, and a one-click environment solver. The included amount of data ingestion for this plan is 100GB. There is an extra charge of $2 per GB for any additional data ingested beyond the limit specified in each plan. Finally, we offer a priority onboarding process, charging per container as a one time fee, and a one-click environment solver add-on feature, given that the customer doesn't opt for the enterprise plan and hopes to use the one-click environment solver feature, paying per container per usage. We've meticulously tailored our pricing model to offer a variety of plans, ensuring flexibility to meet the diverse needs of all our users.

SALES STRATEGY

Author: Sydney Loats

- **Target Industries:** Appeal to media and entertainment, retail, tech and other companies that rely on AWS for hosting their websites, storing data, delivering content, etc.
- **Pricing and Negotiation Strategy:** Explain pricing model to customers, use discounts, promotions, or bundled offerings to attract more customers and accommodate their budgets. For example, offering a two-year minimum at a discounted price. There'll be heavy emphasis on this part for our sales plan, so we'll thoroughly train the sales team to effectively negotiate and thus acquire customers at a higher rate.
- **Establish Sales Targets and Quotas:** Set precise sales targets and quotas to secure the necessary funding for our team to operate in Austin and to afford the necessary software and employees necessary for our ongoing AI product development.
- **Review and User Feedback:** Send surveys to our users to discover how we can improve our product to retain our customers and establish a review to adjust based on feedback and market conditions.
- **Sales Representatives:** As we grow, hire sales representatives to cover each region where our customers are located and give commissions, bonuses, and other incentives with more sales. These bonuses will depend on which plan was sold, how many GB of data, how many containers.

MARKETING AVENUES

Author: Sydney Loats

- **Email marketing:** Build an email list with prospective customers, and encourage website visitors, social media followers, and customers to subscribe to our email updates.

- **Social media marketing:** Maintain active and engaging social media profiles on platforms that our audience frequents (e.g., LinkedIn, Instagram, Twitter). Pay for ads on social media sites.
- **Networking at local business events:** Since Austin is a hub for tech companies, startups, and other target industries, we want to build relationships and local connections in the Austin area to attract customers, as well as gain valuable insights, referrals, and support.
- **Search engine optimization:** Use keywords and phrases that our target audience is likely to use when searching for cloud optimization products on our website. For example: 'cost-efficient cloud operations', 'cloud cost management', 'efficiency cloud usage', 'SaaS Operations', 'SaaS efficiency', 'SaaS cost reduction'
- **Website:** Design a website that is attractive and informational, including contacts to our team for customer support and questions.

BUSINESS PLAN

Author: Jason Kim

Year 1

Funds: Raise $1 million in seed funding, such as from angel investors, friends, and families.
Business Goals:

- Launch the product and acquire ~10 customers
- Achieve a customer retention rate of 70%
- Generate $300,000 in revenue

Year 2

Funds: Raise $2.5 million in Series A funding, such as from venture capital firms.
Business Goals:

- Expand the sales and marketing team to triple customer acquisition
- Hire key personnel (product manager, frontend/backend developers, interns)
- Achieve a customer retention rate of 80%
- Generate $1 million in revenue.

Year 3

Funds: Raise $10 million in Series B funding.
Business Goals:

- Expand into new markets and industries.
- Achieve a customer retention rate of 90%.

- Generate $3 million in revenue.

Year 5

Business Goals:

- Consolidate position as leader in our market by focusing on dominating our niche and staying ahead of competitors.
- Expand into international markets, increasing overall market presence.
- Achieve a customer retention rate of 95%.
- Generate $30 million in revenue.

BUDGET PLAN

Author: Sophia Baig

Year 1 Breakdown	Year 2 Breakdown	Year 3 Breakdown	Year 5 Breakdown
Software Developers: 38%	**Software Developers:** 35%	**Software Developers:** 37%	**Software Developers:** 37%
Sales & Marketing Representatives: 32%	**Sales & Marketing Representatives:** 37%	**Sales & Marketing Representatives:** 35%	**Sales & Marketing Representatives:** 35%
CEO: 10%	**CEO:** 10%	**CEO:** 10%	**CEO:** 10%
Advertising: 5%	**Advertising:** 3%	**Advertising:** 1%	**Advertising:** 1%
Customer Support: 5%	**Customer Support:** 5%	**Customer Support:** 5%	**Customer Support:** 5%
Business Software & Cloud Services: 8%	**Business Software & Cloud Services:** 8%	**Business Software & Cloud Services:** 10%	**Business Software & Cloud Services:** 10%
Legal and Business Fees: 2%	**Legal and Business Fees:** 2%	**Legal and Business Fees:** 2%	**Legal and Business Fees:** 2%

Our budget plan focuses on seven different categories to split our available funding across various business functions. The majority of our funding is dedicated towards employee salaries, such as software developers, sales and marketing representatives, customer support representatives, and CEO. As we progress through the years, we intend to dedicate more of our funding towards customer support representatives as our customer base grows. We also dedicate some of our funding towards business software and cloud services, as well as legal and business fees.