

## **SYSTEMS AND COMPUTING DEPARTMENT**

### **COMPUTER SYSTEMS ENGINEER**

### **ADVANCED PROGRAMMING TOPICS**

2ND DELIVERY: "BUSINESS PLAN"

2ND PARTIAL EVALUATION

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## Executive Summary

*In a technology-driven world, innovation and efficiency are essential to success in the retail market. In this context, "SmartMart" was born, a company dedicated to the development of applications for inventory management in grocery stores. Founded by entrepreneurs José Hernández, Iván García, Félix Mancinas and Sergio Lastiri, SmartMart represents a pioneering approach in the retail inventory management sector.*

*Since its inception, SmartMart has made an unwavering commitment to sustainability, customization and advanced technology. The company's vision is to transform the way grocery stores manage their operations and their customers' shopping experience, providing intelligent technological solutions adapted to the needs of each business.*

*This document aims to provide a comprehensive view of the SmartMart business, addressing key aspects including its vision and mission, strategic goals and objectives, market strategy, responsible environmental practices, leadership structure and much more. Throughout these pages, you will dive into the essence of SmartMart and understand how this company stands out in a highly competitive and dynamic market, as well as its approach to sustainable growth and continued success. Learn how SmartMart strives to combine technological intelligence with shopping wisdom, and how it has become an influential player in the transformation of the grocery retail industry.*

# Vision/Mission Statement and Goals

## A. Vision Statement

*Create a business that transforms the way groceries are managed and purchases are made in these stores. We want to empower store owners to be more efficient in their operations, and consumers to enjoy a modern and convenient shopping experience. Through constant innovation and sustainable growth, we aspire to be leaders in this industry, driving our clients' success and creating long-term value.*

## B. Goals and Objectives

- *Market Domination: Become the market leader in the development of purchasing and inventory management applications for grocery stores, establishing significant market share in a growing number of regions.*
- *Customer Satisfaction: Maintain a customer satisfaction rating greater than 90%, which demonstrates the quality of our services and solutions.*
- *Sustainable Growth: Achieve annual business growth of 20% or more, balancing expansion with financial stability.*
- *Continuous Innovation: Release updates and new app features at least four times a year, keeping our technology at the forefront of the industry.*
- *Strategic Collaborations: Establish strategic partnerships with at least three renowned point of sale (POS) system providers over the course of the next five years.*
- *Annual Income: The goal is to generate significant income that supports the expansion and sustainability of the business. It is expected to reach \$500,000 in annual revenue in the third year.*
- *Profitability: Profitability is essential for growth and financial stability. The goal is to reach profitability in the second year.*
- *Net Profit Margin: Maintain a net profit margin of 20% starting in the third year to ensure the financial health of the business.*

## Approximate Deadlines to Achieve Milestones

*First Year: Launch of the beta version of the application, register at least 50 grocery stores as clients, acquire 1,000 end users, invest in research and development.*

*Second Year: Launch of the full version of the application, achievement of profitability, mitigation of identified risks, expansion of the customer base to 500 stores and 10,000 end users.*

*Third Year: Achieve annual revenue of \$500,000, maintain a 20% net profit margin, develop an artificial intelligence function, diversify revenue sources, and contribute to the community through sustainability practices.*

### **C. Keys to Success**

#### *Quality Technological Development:*

*It is essential to have a high-quality development team that can create a robust and reliable application. The underlying technology must be scalable and secure.*

#### *Market Knowledge:*

*Deeply understanding the needs and challenges of grocery stores is essential. This involves researching and analyzing the market, identifying trends and listening to the opinions of store owners and consumers.*

#### *User-centered design:*

*The application must be easy to use and attractive to end users. User-centered design is essential to ensure that the shopping experience is intuitive and enjoyable.*

#### *Database and Efficient Inventory Management:*

*The application must be able to manage store inventory, including real-time updating, out-of-stock alerts, and a reliable database for product tracking.*

#### *Marketing and Customer Acquisition:*

*Develop an effective marketing strategy to attract both grocery stores and end users. This may include online advertising, promotions, social media engagement and email campaigns.*

#### *Customer Support and Maintenance:*

*Establish an efficient customer support team to provide assistance to stores and users. Additionally, it is important to regularly maintain and update the app to address issues and add new features.*

# Company Summary

## A. Company Background

*In our business, we are dedicated to developing applications for grocery store inventory management and enabling advance purchasing. The original founders of the business are José Hernández, Iván García, Félix Mancinas and Sergio Lastiri. Throughout our entrepreneurial journey, we have experienced several important milestones in business development. These milestones include the conception of the original idea, the creation of the first functional version of the application, the launch to the market, the acquisition of our first customers, the formation of strategic alliances, the expansion of functionalities, the constant growth of our base of clients, achieving profitability and raising funds to support our growth. These achievements mark pivotal moments in our business journey and have been instrumental to our continued success.*

## B. Resources, Facilities and Equipment

*We produce our products and services through a combination of resources including:*

- *Human Resources: Our software development team, designers, sales and customer service staff, as well as other professionals, are essential to the creation and delivery of our products and services.*
- *Technology and Equipment: We use specialized hardware and software, servers, workstations and development teams to design, create, host and maintain our applications.*
- *Technology Infrastructure: We need servers and storage systems, as well as cloud services to host our applications and guarantee their availability.*
- *Financial Resources: Financial resources are essential to finance research and development, marketing, customer support and business expansion.*

*These resources are provided by both the founders and original shareholders and by potential investors or external financing sources. Funding can come from seed investments, investment rounds, loans, or revenue generated by the business.*

*Resource providers, whether employees, technology providers, investors or funding sources, are rewarded in different ways:*

- *Employees: Receive salaries, benefits and opportunities for professional growth.*
- *Technology Providers: They are paid for their services or products according to agreed terms.*
- *Investors: May receive financial returns through dividends, profit sharing, or capital gains as the business grows and generates profits.*

- *External Funding Sources: These sources may receive interest on loans or profits through direct investments in the business.*

*Rewarding resource providers is linked to their contribution to the success of the business and is based on previously established agreements and contracts.*

### **C. Marketing Methods**

*We work closely with other industry players to optimize our performances. We have forged strategic alliances with our technology providers, allowing us to access the latest innovations and key resources. Thanks to term contracts with suppliers, we ensure stable costs for essential inputs, which reduces the volatility of our production costs. We also constantly collaborate with our customers, the grocery stores, to adapt our solutions to their changing needs. Through loyalty programs, we reward our most loyal grocery stores, which strengthens our customer retention and increases our revenue. Additionally, we have implemented financial risk management strategies, such as the use of forward contracts and options, to protect against adverse swings in input prices. Regarding production and delivery costs, we have optimized our internal processes, automated tasks and opted for efficient and sustainable technologies to reduce long-term expenses. Recruitment plays a critical role in our success; We are constantly looking for complementary talent to strengthen our team and achieve our objectives effectively.*

### **D. Management and Organization**

- *Current Management Team:*

*We are a management team made up of four key members. José Hernández, our President and CEO, leads the company, establishing the overall vision and strategy. Iván García, our Director of Technology Development, oversees software development and the implementation of new features in our applications. Félix Mancinas, as Director of Customer Relations, focuses on maintaining strong relationships with grocery store clients, ensuring their satisfaction and retention. Sergio Lastiri, our Chief Financial Officer, manages financial management and operations, including contracts and relationships with suppliers.*

- *Division of Management Responsibilities:*

*Each of us has specific responsibilities. José Hernández establishes the strategic direction, Iván García leads the development of technological products, Félix Mancinas takes care of relationships with our clients and Sergio Lastiri manages financial management and operations.*

- *Lines of Authority:*

*Authority flows from José Hernández, our President and CEO, to department directors, who have autonomy to make decisions within their areas of responsibility.*

- *Determination of Salaries and Performance Evaluations:*

*Salary determination is carried out in collaboration with Sergio Lastiri, our Financial Director. Performance evaluations are conducted by the respective department directors.*

- *Academic training:*

*Our academic titles are related to our areas of responsibility.*

- *Reputation of the Management Team:*

*As a team, we enjoy a strong reputation in the local business community, backed by our experience and commitment.*

- *Special abilities:*

*We have skills in leadership, technology, finance, customer relations and operations management, all crucial to the success of the company.*

- *Additional Development Needs:*

*We recognize the importance of improving our leadership and change management skills as our company grows and evolves.*

- *Key Personnel:*

*We work closely with software engineers, designers, sales and customer service personnel, who are essential to the operation of our company.*

- *Advice and Support:*

*We receive strategic guidance from an external advisory board comprised of technology and finance experts.*

- *Personal and professional development:*

*We encourage the personal and professional development of our management and employees through training programs and growth opportunities.*

## **E. Ownership Structure**

*The main stakeholders in our business are the following:*

*Customers (Grocery Stores): Our customers are the fundamental part of our business. We are committed to meeting your needs and providing you with efficient technological solutions.*

*Technology Providers: We depend on technology providers to keep us up to date with the latest innovations and resources necessary for the development of our applications.*

*Investors: Those people or entities that have invested in our company and want to obtain a return on investment.*



*Employees: Our development team, sales, customer service and other employees are a vital part of our operation.*

*External Advisory Board: We receive strategic guidance and support from technology and financial experts who make up our advisory board.*

*Local Community: As a company that serves local grocery stores, we are an important part of the community and are committed to strengthening it.*

*Regarding the legal form of our company, we are a limited liability company (SRL). This means that we are legally constituted as a separate entity from our owners and that we have limited liability in the event of debts or litigation. This provides some personal protection to our managers and partners.*

*Regarding the permits and registrations necessary to operate, we are registered as a legal company in our jurisdiction and we comply with all tax and legal regulations applicable to our type of business. We also comply with local requirements for data management and user privacy as we handle sensitive information in our applications. When it comes to inspections, we are subject to periodic security and software quality assessments by regulatory bodies and independent third parties to ensure the integrity of our applications and the protection of user data.*

## **F. Social Responsibility**

*Our company is committed to following responsible environmental practices, considering sustainability and environmental conservation as a fundamental part of our operations. Some of the practices we follow include:*

*Recycling and Waste Reduction: We promote waste reduction and recycling in our offices and operations, minimizing the generation of unnecessary waste.*

*Energy Efficiency: We strive to use energy efficient equipment and systems to reduce our energy consumption and carbon emissions.*

*Product Sustainability: We seek to develop technological solutions that help our clients reduce their carbon footprint and manage their resources in a more sustainable way.*

*Sustainable Transportation: We encourage vehicle sharing, teleworking and other measures to reduce the emission of greenhouse gases related to transportation.*

*Regarding the handling of chemicals, in our case, we are not directly involved in the handling of hazardous chemicals, as we are a software development company. However, in the hypothetical event that it were necessary, we would follow rigorous security practices and comply with all applicable regulations and standards.*

*Our company has policies to minimize negative impacts, such as noise, dust, weather and odors, that may affect the local community. These policies are designed to comply with environmental regulations and to minimize any disruption to local residents.*

*In terms of participation in community organizations, at the local level, we could collaborate with small merchant associations or local business support groups. At the state or national level, we may become involved in technology and trade associations related to the development of technology applications and solutions for retail commerce.*

*To ensure proper handling of hazardous materials and safe operation of equipment, we offer extensive training and orientation practices for new employees. This includes occupational safety training, knowledge of emergency procedures, and compliance with all relevant environmental regulations. We also promote individual responsibility and workplace safety culture as part of our standard practices.*

## **G. Internal Analysis**

*Our company in the grocery store inventory management application development business has various strengths and weaknesses, as well as core competencies and areas for improvement. Here is an analysis:*

### *Strengths:*

*Experience in Software Development: We have a highly qualified team with experience in the development of custom applications and technological solutions.*

*Local Connections: Our company has a strong local presence and established relationships with grocery stores in the community.*

*Commitment to Sustainability: Our orientation towards sustainability and energy efficiency is a competitive advantage in a market increasingly concerned about environmental responsibility.*

*Customization Capacity: We offer highly customized solutions to meet the specific needs of our clients.*

*Community Awareness: Our commitment to strengthening the local community reflects an advantage in terms of reputation and public relations.*

### *Weaknesses:*

*Competition: The app development market is highly competitive, which means we must continually strive to stand out.*

*Limited Resources: As a smaller company, we have limited resources compared to larger competitors.*

*Technological Dependency: Our company depends on technology, which makes it vulnerable to possible technical failures.*

*Local Market: Although our local orientation is a strength, it also limits our reach nationally or internationally.*

*Core Competencies:*

*Custom Software Development: Our ability to create custom solutions for grocery stores is a core competency.*

*Local Connections and Community Engagement: Our relationship with the local community is an advantage.*

*Focus on Sustainability: Concern for sustainability has become an important differentiator in our market.*

*Areas to Build:*

*Market Expansion: We can focus on regional or national expansion to reach a broader audience.*

*Development of Strategic Partnerships: Collaboration with strategic partners could strengthen our position in the market.*

*Continuous Innovation: Continuing to innovate in technological solutions and applications is key to staying competitive.*

*Exit of Companies or Business Units:*

*At this time, we do not see the need to exit any company or business unit, as we are focused on our core of developing applications for inventory management in grocery stores.*

*Promising:*

*Our core business of grocery store app development continues to show promise, especially as businesses seek technology solutions to streamline their operations and meet customer demands. Furthermore, the growing concern for sustainability and energy efficiency fits well with our strategic orientation.*

## Products and/or Services

The products we are planning on selling are the following:

**Inventory Management Application:** The application will allow grocery stores to effectively track their inventory, track product availability, receive stock-out notifications, and facilitate order and supplier management.

**Online Shopping Platform:** End users will be able to access the platform to explore products, make purchases, schedule store pickups or home deliveries, receive product recommendations and access exclusive offers.

**Technical Support Services:** You will provide technical support services to grocery stores and end users, including assistance with configuration and use of the application.

We believe we are unique in the way that we are developing a purpose-built solution for grocery stores, allowing us to achieve greater adaptability and efficiency compared to generic alternatives. The real-time interaction enabled by our app allows users to interact directly with grocery stores, positively transforming the shopping experience and adding a significant level of convenience. Additionally, we offer personalized product recommendation features to users, allowing them to discover products that fit their individual preferences and needs. Our focus on the local community translates into supporting and strengthening small businesses in the area by increasing their efficiency and competitiveness.

We are producing a differentiated product. Our app and shopping platform offer specific features and functions not found in generic merchandise. Customization, real-time inventory management, and direct interaction with stores and users make our product unique and valuable.

So, how is our product's quality, price and location compared to other products that are similar?

- In terms of quality, we stand out for excellence in terms of functionality, data security, user-centered design and the ability to adapt to the specific needs of grocery stores.
- Regarding price, competitiveness in this aspect is essential for us. We offer a price-competitive solution by providing an affordable and scalable alternative for grocery stores compared to expensive or customized alternatives.

- In terms of location, we focus on serving local grocery stores, which gives us a significant advantage in terms of proximity and a deep understanding of the specific needs of these stores.

Regarding our experience with this product/service, it is essential to highlight that we have solid experience and expertise in application development, as well as a deep understanding of the grocery store industry and the specific technological needs of these companies. . Our successful track record in application-related projects, along with our ability to understand and adapt to market needs, are essential elements that build trust with our customers and end users. We are committed to applying this experience to deliver high-quality solutions and continue to meet the changing demands of the industry.

# Market Assessment

## A. Examining the General Market

The market is characterized by a diverse landscape of small and medium-sized grocery stores seeking modern solutions for inventory management and online shopping. There are clear segments in the market, including local independent stores, franchise chains and convenience stores.

An important customer need that is currently not met by the marketplace is the ability to optimize inventory management, offer real-time visibility into stock, and provide a convenient online shopping experience for customers. Many brick-and-mortar stores still rely on manual inventory tracking methods and lack an online presence.

The growth potential for each market segment is significant. Local independent stores can benefit from cost-effective technology solutions, franchise chains can improve efficiency across multiple locations, and convenience stores can attract more customers by offering online shopping.

Our company faces opportunities in the form of growing market demand for innovative technology solutions, especially after changes in purchasing patterns caused by the pandemic.

An analysis using the Five Forces model suggests that our industry is subject to competition from companies offering similar solutions and the bargaining power of suppliers, especially in terms of technology and related services. Rivalry between competitors in the industry is high, as many companies seek a growing market share.

In terms of trends relevant to our business, we see an increase in the adoption of online purchasing and inventory management technologies, as well as a growing awareness of the importance of sustainability and social responsibility.

Drivers of change include the rapid evolution of technology and growing consumer demand for more convenient and personalized shopping experiences.

Regarding political and legal issues, we face regulations related to data privacy and online transaction security, as well as potential industry-specific regulations that may vary by geographic location. Additionally, it is important to comply with consumer protection laws and maintain a sustainable business operation from an environmental perspective.

## B. Customer Analysis

Our customers span a wide range, including independent grocery stores, franchise chains and convenience stores. For each customer, we provide a comprehensive

solution that includes a real-time inventory management application and an online shopping platform. Our product solves a key problem for them by simplifying inventory management, improving operational efficiency, and allowing their customers to conveniently shop online.

Customer retention in our industry may vary, but we aim to maintain long-term relationships with each customer, providing ongoing support, updates and services tailored to their changing needs. The cost of supporting a customer can vary depending on the complexity of their requirements and the level of service required, but we are committed to providing high quality support to ensure our customers' satisfaction and loyalty.

### **C. Industry Analysis**

- **Competition and Rivalry:**

The industry is highly competitive, with numerous companies offering online purchasing and inventory management solutions for various sectors. The rivalry focuses on technological innovation, product quality and customer satisfaction.

- **Bargaining Power of Suppliers**

Technology suppliers play an important role, as their supply capabilities, quality, and service costs can influence your company's profitability. Supplier diversification and strategic alliances can reduce dependence on a single supplier.

- **Bargaining Power of Buyers:**

Customers, in this case grocery stores, have options and therefore some power to compare solutions and negotiate prices. Customer satisfaction and the ability to adapt to their specific needs are crucial to retaining them.

- **Threat of Substitute Products:**

Generic online shopping and inventory management solutions can be considered substitutes, although they may lack the specific adaptation for grocery stores. Continuous innovation and differentiation help reduce the threat of substitution.

- **Threat of New Entrants:**

The barrier to entry for new entrants may be moderate due to the availability of technologies and development tools.

However, the need for a deep understanding of the specific needs of grocery stores and an existing customer base can be challenges.

- Relevant Trends:

The increasing adoption of technology in the retail sector, especially after the pandemic, is driving demand for digital solutions.

Sustainability and social responsibility are emerging trends that can influence the purchasing decisions of grocery stores and end users.

- Change Factors:

Constant technological evolution and changing consumer preferences can alter market demands.

Changes in regulation, especially in terms of data privacy and security, may affect operations and technological adaptation.

- Political and Legal Issues:

Regulations related to data privacy, online transaction security, and business practices are factors to consider.

Complying with industry-specific regulations and consumer protection laws is essential.

## **D. Strategic Alternatives**

- Diversification of Products and Services:

Explore expanding the range of products and services offered, such as adding data analytics features to help stores make more informed decisions.

- Geographic Expansion:

Consider expanding into additional geographic markets, both locally and regionally, to reach a broader grocery store audience.

- Strategic Alliances:

Establish collaborations with point-of-sale (POS) system providers, logistics companies, and other key players in the supply chain to improve application integration and efficiency.

- Development of Innovative Features:

Continue to innovate and improve the app, adding features such as more advanced recommendation systems, mobile payment integration, and predictive analytics.



- Marketing and Customer Expansion:

Implement more aggressive marketing strategies to attract a broader customer base and retain existing stores.

- Focus on Sustainability:

Consider incorporating sustainable practices into the company's operation, which can attract environmentally concerned stores and consumers.

- Development of Complementary Applications:

Create complementary applications that provide specific solutions to additional grocery store challenges, such as employee management, accounting, or supplier relationship management.

- User Experience Optimization:

Continue to improve the usability and design of the application to ensure a high-quality user experience.

- Security and Regulatory Compliance:

Strengthen data security measures and ensure rigorous compliance with data privacy and security regulations to build trust with customers.

- Pricing Strategies:

Evaluate and adjust pricing strategies to ensure they are competitive and attractive to both grocery stores and end users.

Monetization:

Explore different monetization models, such as subscription, advertising, sales commissions, to optimize revenue.

# Strategic Implementation

## A. Production

Project Planning, market research, requirements gathering, design, development, testing, deployment, training and support, marketing and promotion, maintenance and updates, feedback and iteration. Efficient inventory management, streamlined checkout and payment processing, customer loyalty programs, online ordering and delivery, data analytics, staff management, supplier and vendor management, compliance and reporting, mobile apps and customer engagement and integration with IoT and smart devices.

*-User-Friendly interface*

*-Customization: Offering the ability to tailor the software to the specific needs of each grocery store can be a major selling point.*

*-Integration with Existing Systems*

*-Mobile and Online Shopping Integration.*

*-Point of Sale (POS) System: A robust POS system is essential for us.*

*-Inventory Management Software: Inventory management software can help to keep track of product levels, manage restocking, and optimize inventory to prevent overstocking and understocking.*

*-Mobile Apps and Online Shopping Platforms: To cater to the growing trend of online and mobile shopping.*

*To produce our products, which in this case are grocery store inventory management software applications, we have established a set of processes that encompass custom software development. Our development team is dedicated to designing, programming and testing these applications, ensuring that they are secure, efficient and functional. We also conduct extensive testing to ensure the quality and reliability of our solutions. Since each grocery store has specific needs, part of our process involves customizing applications to fit each customer's individual requirements. Once completed, we deploy the applications to stores and provide ongoing support to ensure smooth operation and customer satisfaction.*

*In terms of growth strategies, we are considering several options. One of them is business expansion, with plans to bring our solutions to a broader audience regionally, nationally and internationally. We are also open to the possibility of exactly replicating our business model in new locations or markets, adapting to local needs. Additionally, we are exploring vertical integration opportunities, which could involve expansion into the provision of hardware related to inventory management. Finally, we consider network collaboration, seeking strategic alliances with other companies in the technology or retail sector to strengthen our position in the market.*

*The expected timeline for these growth strategies will depend on various factors, such as resource availability and market opportunities. Regional or national expansion could take place in the next 1-3 years, while vertical integration or*

*strategic alliances could be a longer-term priority, over a 3-5 year horizon. Detailed planning will be carried out based on current circumstances and opportunities.*

## **B. Resource Needs**

*In order to effectively organize your business you need to insure the resources are available. Assess those needs here.*

### **a) Human**

- Retail Management: Individuals with a background in retail management are crucial.
- Product Knowledge: Employees should have a good knowledge of grocery products, including types, quality, and seasonal variations.
- Customer Service
- Inventory Control: Staff should be skilled in inventory management, tracking stock levels, and optimizing restocking procedures to avoid overstock or shortages.
- Safety and Hygiene: Knowledge of food safety and hygiene practices is essential, especially in a grocery store setting.

### **b) Financial**

- Initial Capital: You'll need capital to secure a suitable location, purchase or lease equipment, and set up the store.
- Inventory Costs: Acquiring an initial inventory of groceries is a significant expense.
- Operating Expenses: Budget for ongoing operating expenses
- Marketing and Advertising: Allocate resources for marketing and advertising to attract customers.

### **c) Physical**

- Store Location: The location of your grocery store is a critical physical resource.
- Store Space: The size of your store will vary, but you'll need enough space to accommodate shelving, refrigeration units, checkout counters, and aisles for customers to navigate comfortably.
- Shelving and Displays: Invest in high-quality shelving and displays to showcase your products effectively.
- Checkout Counters: Determine the number of checkout counters needed based on your anticipated customer traffic.

## **C. Sourcing/Procurement Strategy**

*In the context of our business, which focuses on the development of applications for inventory management in grocery stores, purchasing decisions are based on the following factors:*

- *Software Quality: The quality of our applications is essential. Grocery store owners are looking for reliable and efficient solutions that allow them to manage their inventory effectively.*
- *Convenience and Usability: Convenience plays an important role. Our applications must be easy to use and adapted to the specific needs of each store. Convenience in inventory management is essential.*
- *Price: The cost of our applications is a factor to consider. Store owners are looking for solutions that offer a good balance between price and quality.*
- *After-Sales Service: Customer support and additional services, such as updates and technical assistance, are essential to maintain customer trust.*

*As for where grocery store owners find our services:*

- *Internet: Our software solutions are typically available online, allowing store owners to access them from anywhere with an Internet connection.*
- *Local Distributors: In some cases, store owners can obtain information about our solutions through local distributors or sales representatives.*

*In short, in our business, the purchasing decision is based on software quality, convenience, price, and online availability. Grocery store owners are looking for solutions that allow them to manage their inventory efficiently and reliably, which requires the right balance between these factors. Online accessibility is an important feature as it allows potential customers to access our solutions from anywhere.*

## **D. Marketing Strategy**

### *1. Market Research and Analysis:*

*Identify the specific needs and pain points of grocery store owners and managers that your software can address.*

### *2. Product Positioning:*

*Clearly define the unique selling points (USPs) of your software, such as inventory management, sales tracking, or reporting features.*

### *3. Pricing Strategy:*

*Determine a competitive and flexible pricing model*

#### *4. Sales Channels:*

*Consider a multi-pronged approach*

#### *5. Sales Team:*

*If your budget allows, hire a sales team with knowledge of the grocery store industry.*

#### *6. Marketing and Promotion:*

*Develop marketing materials such as brochures, website content, and social media advertising.*

- Website and Online Presence*
- Pay-Per-Click (PPC) Advertising*
- Social Media Marketing*
- Email Marketing*
- Content Marketing*

*1. Online Platforms: You can offer your grocery store software through online platforms such as your own website*

*2. Marketing Strategies: Use digital marketing strategies such as social media marketing*

*3. Partnerships with Software Providers: Consider partnering with companies that supply point-of-sale (POS) or inventory management software to grocery stores.*

*4. Trade Shows and Industry Events: Participate in trade shows and industry events in the food and beverage sector to showcase your software and make connections with grocery store owners.*

#### *1.-Open Market:*

*Open market sales involve making your software readily available to anyone interested in purchasing it through online platforms, your website, app stores, or other public channels*

#### *2.-Contracts:*

*Contract-based sales involve negotiating agreements with individual grocery stores or retail chains to provide them with your software as a customized solution.*

*The cost of our grocery store inventory management software applications can vary depending on several factors, including scale of deployment, custom features,*

number of users, and level of support required. However, in a general scenario, the cost could range from \$5,000 to \$20,000 USD or more annually, depending on the specific needs of the client and the scope of the project. It is important to note that these values are approximate and may vary significantly depending on individual circumstances. Additional customization, consulting services, or adding advanced features can influence the final price. Therefore, we always recommend a detailed needs assessment and direct consultation with our team to obtain an accurate quote.

**a) Hedging, forward pricing, options**

*In our grocery store inventory management application development business, hedging, forward pricing and options are not common tools to mitigate risk, as we are not directly involved in the production or marketing of physical products such as raw materials. Instead, our main area of focus is on software development and the provision of related services.*

*However, to protect our operation and effectively manage risk in the software development environment, we employ other strategies, including:*

- *Revenue Diversification: We maintain a diversified customer base to reduce dependence on a single customer or market. This protects us against volatility in a specific sector.*
- *Preventive Maintenance: We perform regular maintenance and updates on our applications to prevent possible problems and ensure their operation without interruptions.*
- *Quality Management: We implement rigorous quality control and software testing processes to minimize errors and improve the reliability of our applications.*
- *Efficient Project Management: We use project management practices to ensure our projects are delivered on time and on budget.*
- *Data Backup and Recovery: We maintain data backup and recovery measures to protect the integrity of customer information.*
- *Strong Contracts: We establish clear and strong contracts with our clients to ensure that expectations are aligned and that we are adequately compensated for our services.*

*These strategies help us manage risk in our business by focusing on quality, reliability and customer satisfaction rather than relying on financial instruments such as hedging, forward pricing or options, which are more common in industries related to raw materials or commodities.*

**b) Contracting**

*We consider using production and marketing contracts as part of our strategy to reduce risk and strengthen our operations. These contracts will allow us to establish stronger relationships with strategic partners, which, in turn, will help mitigate risks and improve the stability of our business.*

*In terms of production, we might consider agreements with third-party developers or software development firms to help us build and maintain our applications. This will not only diversify our development capabilities, but also provide us with the flexibility to meet growing demand for our products.*

*In the marketing arena, we could explore partnerships with marketing agencies or firms specializing in software promotion. This will allow us to reach a broader audience and increase the visibility of our solutions in the market.*

*Using these contracts will help us reduce internal operational burden, minimize risks associated with development and marketing, and optimize our resources. However, it will also require careful management of these relationships and the development of robust contracts to ensure our standards of quality and customer satisfaction remain at a high level.*

**c) Insurance**

*Liability insurance is an important part of our risk management strategy. These insurances protect us in the event of claims or demands for damages or losses that may arise in the course of our business operations. This may include situations where a customer alleges damages as a result of our applications malfunctioning or any other liability issues.*

*In addition to liability insurance, we also consider other types of insurance, such as property insurance to protect our assets and business interruption insurance to mitigate financial losses in the event of unexpected events that may affect our ability to operate.*

*The proper selection and maintenance of insurance is essential to ensure the continuity of our operations and protect us against potential financial risks. We collaborate with professional insurance advisors to evaluate our needs and select appropriate policies that fit our operations and financial resources. Additionally, we regularly review our insurance policies to ensure they are up-to-date and remain appropriate as our business grows and evolves.*

## **E. Performance Standards**

*To monitor the performance of our grocery store inventory management app development company, we have established rigorous standards in several key areas. When it comes to the quality of the software we offer, we follow metrics that allow us to maintain an error rate below 1%, ensuring that our applications are reliable and functional. In addition, we evaluate the efficiency of our clients' inventory management through indicators such as the reduction of losses due to product expiration and the improvement in the stock level. Our acceptable standard is to achieve a 15% reduction in losses and a 20% improvement in stock. Likewise, customer satisfaction is a priority, and our goal is to maintain a satisfaction rate of over 90%. To carry out this monitoring, we use software quality monitoring systems, inventory management efficiency data analysis, and periodic customer satisfaction surveys. Our management team, led by founders José Hernández, Iván García, Félix Mancinas and Sergio Lastiri, takes responsibility for evaluating and improving our performance in all these areas. Additionally, to evaluate our performance, we use industry benchmarks, allowing us to identify opportunities for improvement and remain competitive in the grocery store inventory management industry. These standards and procedures are essential to ensure that we continue to provide quality solutions and meet the needs of our customers.*



# Financial Plan

## A. Financial Projections

Since almost everything is created by us, it does not cost much, no more than 500 mxn.

We are aware that at the beginning of the project the debt is greater than the capital but we hope that the project exceeds the capital to the debt at least 2 times

we ourselves will give capital to the project

Since it is rental software, the person who acquires the software will have access for a certain time

It is planned not to have external investors, but if the project has good growth, accepting external investors is under consideration.

Being a small project, it is not planned to spend much on investment but the project will be stopped in the event of a possible bankruptcy.

Being a digital project, it will have a bank account to be paid by that means.

We try not to exceed 3 times the value of the project. In this case, it should not exceed 1.5 billion yen, or perhaps 2 billion yen.

The greatest expense is concentrated in the maintenance and publication of the project

Since it does not require much capital, it does not need to be supervised, therefore the ROE is what will be supervised the most.

use a system already known as business metrics

Since it is a small project, great growth is not expected, therefore it is difficult to know an exact estimate, but it is planned that the project will sustain itself for the next 5 years.

It all depends on the publicity that is given to our project as well as how many benefits our clients can acquire to be hidden from the competition.

## B. Contingency Plan

Previously, an analysis was carried out to determine whether this idea would work or not. In the case in which it was not going to work, we would choose to analyze the failures and change the strategy to adapt and thus cover the failures that this project could have.

Obviously, like everything, anything may not work, so in the first days of the launch, a detailed supervision of possible errors will be carried out in order to solve them.

The project is not so demanding so it is possible to operate without one of the key members which should not harm the project.