Businessplan

Holy Hack

MEDIAGENIX

Content Metadata Hub

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Description of the business idea

Customer needs

A broadcaster needs to find the next big movie to entertain its target audience. He does not want to broadcast any movies his demographics will not watch. That's why he needs to pay employees to do intensive research which results in high costs for the broadcaster.

These days it's really difficult for broadcasting companies and streaming services to find the right movie or series for their audience. This is because there is a huge offer of different genres.

Mission statement

Our mission is to advise broadcasting companies and streaming services in their search for the best movies and series fitting their target group.

We need a solution for these companies. That is why we want to develop software that finds movies and series that are compatible with their audience. Our main target audience are B2B companies. By doing this they would generate more viewers which then results in more income. This would also save time because you can find the perfect movie or series fitting your demographics in just a few clicks.

Vision statement

We want to become the market leader on predicting the right movie or series for broadcasting companies. Automation and prediction are key features in our vision statement.

Why is this useful?

The most important use of our program is the fact that it lessens research and thus the cost of employees the broadcasting company or streaming service has to spend.

The second most important feature is that the program also prevents human error often found in calculating certain numbers and predictions.

SWOT-analysis

Strengths

- You quickly know which movies and series would match the target group. This allows you to search efficiently.
- The software is very user-friendly and thus easy to use for people without any technological background.
- Reduced pressure on employees.
- We don't have to collect data ourselves, everything happens automatically.
- We focus on a lot of data.
- Very specific client base.

Weaknesses

- Limited customer confidence since there has been no testing done on our program.
- Hard to reach the very specific client base.

Opportunities

- This technology can be later used to create targeted advertisements during commercial breaks.
- AI vision program can be used to collect information from movies in order to process certain attributes.
- We have the ability to use the client's database (such as viewing figures). So we can use even more personalized parameters of the companies regarding the target audience: age, demographic and language.
- Possibility to create personalized themes for each broadcasting company or streaming service.
- We have the possibility to see what the audience likes, filter, and so we will be able to give advice which new movies and series they should make.
- Possibility to make machine learning algorithms for recommendations.
- Platform could be used for buying films.

Threats

- Large technology companies such as Google or Netflix might be eager to develop comparable software themselves.
- We rely on the data we collect. When a site disappears, the services that we provide can cause discomfort to the user.

Conclusion

Strengths

- Quick match with target group
- Search efficiently
- User-friendly
- Reduced pressure on employees
- Automatically data collection
- Focused on a lot of data
- Very specific client base

Weaknesses

- Limited customer confidence due to no testing
- Hard to reach the very specific client base

Opportunities

- Possibility to create targeted advertisements
- AI machine learning
- Personalized parameters
- Possibility to create personalized themes
- Give advice on creating new content based on previous parameters
- Possibility to make a machine learning algorithms for recommendations
- Platform could be used for buying films

Threats

- Large technology companies could develop comparable software
- Depending on the data of others

Competition analysis

There will already be several streaming services using the same concept as ours. Most are for individuals and not for companies. Below are some examples of similar companies:

- Eluvio
- Nenda
- Molotov

Customer journey

Our customer journey is divided into five different parts. This starts with *awareness*; this is where the awareness of the customer for our service is developed.

After that you have the *consideration*, here you make sure that people understand your product and that they have a certain want for it.

Then you have *purchase,* where customers start buying your product and change their behaviour.

You also have the *service*; these are the things you offer the customers and the experiences.

Finally, you have *loyalty*. Here you make sure your customers use your product regularly.

Awareness

As a company we would send out targeted mails explaining our product briefly to broadcasting companies and streaming services. This way we put our name out for our target group. Then, we will do some cold calls. This way, we can go into dialogue with the production companies to further explain our program.

Evaluation

We would hire someone to do a guided demonstration with companies. This way they get to know the product, are able to test all the features in a controlled environment and are able to ask questions to the salesperson.

Purchase

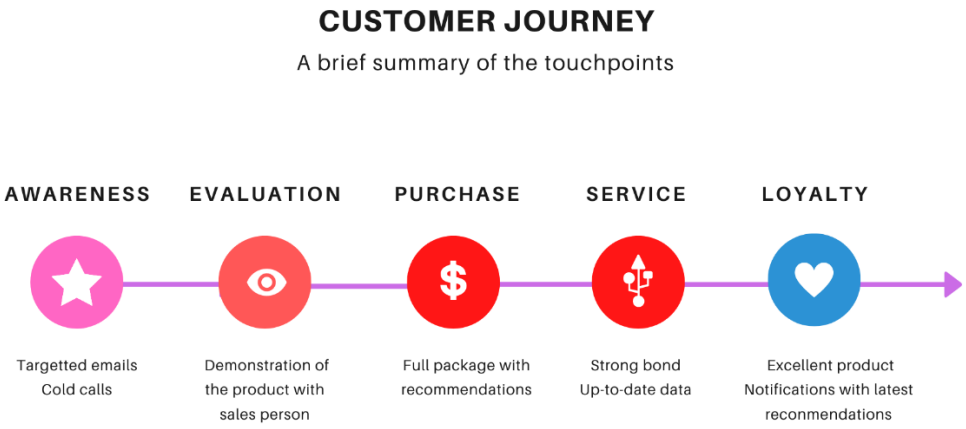
Once the user has purchased our product, they get to experience our full package with recommendations considering their target audience.

Service

Users would be able to request features that have to be added, this way we create a close bond with the company in question. Furthermore, the data provided will be up to date so that companies don't have old data available.

Loyalty

Our product is programmed by a professional team of experts. This will make our product work very efficiently so that our customers will automatically use it.
Of course, we would send out notifications about trending and interesting movies and series pinpointed for the company's demographic. This way they stay notified about the latest recommendations.



Business Canvas Model

Here we will talk about our business canvas model, the ways we will strategically tackle and solve problems we might face when launching, running and expanding our brand and program.

Customer segments

Set-up & method customer analysis

For our concept we chose to focus on a very large audience in the broadcasting sector. Nowadays still a lot of people are watching television, which translates to a lot of media companies. We focus on all big broadcasting and streaming services all around the world.

In particular, we think that family-based media companies will be most interested in our program. They have on average the viewers with the most different audience which makes it more difficult to find the movies. However, companies with a specific target group will lose less time when searching for the right product.

Segmentations

In our segment we will have companies who don't like to lose time and search for an efficient way to help them search things smoothly. By using our program, they can quickly find out if the product is needed and fitting for them. This way, everything runs smoother for them, and the companies have less trouble searching between different movies and series.

Customer relationships

Customer support would be available between business hours, this way a customer can contact us when they have troubles using our program. We would also take input from our customers for example which features they would like to see in the program. We will implement customer relationship management to make sure that problems will be detected as quick as possible and to fix those problems.

Value proposition

Our program will be available in multiple languages and automatically translate description, genres and other metadata for the companies using it.
The program will reduce risks of companies running the incorrect shows or movies.
The service is easily implementable, companies using it will find no trouble utilizing it.

Channels

In this part we will tackle the channels that will be used to communicate with our target audience. The channel phases that are included in this part are; awareness, evaluation, purchase, delivery and after sales. In each of these phases we want to have as much as touchpoints as possible, this way we can create a certain dialogue with the broadcasting companies.

We would like to hire someone to take care of our marketing. This will make it easier for us to promote our software to companies. The price we would pay to our marketer would be at the end of the business case.

Channel phases

Awareness

To reach out to the broadcasting companies, firstly we will send out an email providing information about the services we provide. After some time cold calls will be done to go into dialogue with the production companies to further explain our program.

Evaluation

Through demonstrations our service will be shown to the broadcasting companies. This way they can fully see the potential and what our program can add to their company.

Purchase

The production houses that acquire our services will be assigned to a sales person. This contact will maintain in touch with the companies throughout the whole process of contracting.

Delivery

In that matter, the broadcasting companies can be followed-up through the placing of the program and to integrate this in their own broadcasting. The sales person will be their main contact in every part of the installation.

After sales

The first after sales meeting will take place a month after the initial installation of the software. This meeting will be countered by the sales person that was assigned to the broadcasting company. The production house can evaluate their experiences with the software. This way we can assure their loyalty to our program.

Key activities

Software program

To ensure our clients have an amazing experience we offer qualitative software in order to keep the customer satisfied. We believe that while using our software customers can search in a simpler and more efficient way.

Client base

We would also broaden our client base by giving demonstrations that give more in-depth information how our project works. This way we would try to grow our company and it's client base.

Key resources

When we look at effective equipment that we need, it is not very different from other software companies. Our company needs office space, computers, furniture and so on.

We would also need a reliable connection to the API's that provides us with the correct data needed for the calculations of our program. (agreement) We would also need a proper development and marketing team.

Key partners

Who are our key partners?

Massief	AWS	Azure	Google Cloud
Front-end dev	*Cloud provider*	*Cloud provider*	*Cloud provider*
(Van Severen, 2020)	(Amazon Web Services, z.d.-b)	(Microsoft Azure, z.d.)	(Google Cloud, z.d.)

Universal Pictures
Production house

(Universal Pictures, z.d.)

Paramount
Production house

(paramount, z.d.)

Warner Bros. Entertainment
Production house

(Warner Bros Entertainment, z.d.)

Who are our key suppliers?

Trakt
API provider

(Trakt, z.d.)

TMDB.org
API provider

(Themoviedb, z.d.)

Which key resources are we acquiring from partners?

We have some cloud services where we would like to work with. On these cloud services on which our program will run.

We also have some production houses. They could provide us with movies and series, which we can use in our database to help media companies search for the best movies and series for them.

Which key activities do partners perform?

The cloud services use a monthly subscription to their service. Data can then be stored, edited and managed on it. This can all be done on a large scale.

The production houses create media content for resale. So they make films, series and TV shows for the end consumer. This is then sold in licenses to media companies that want to use it on their streaming platform or television channel.

Cost structure and Revenue streams

To make our project a reality, we have to incur various costs. Below we will make a list of which costs we will make.

Fixed costs first year:

- Software* = 70 000
- Patent = 12,750 euro
- AWS** = 499,97 euro (Amazon Web Services, z.d.)
- For each developer: 35 000 euro (Stepstone, 2021)
- For each programmer: 31 344 euro (Glassdoor, z.d.)

*incl. structure, functionalities, design, testing, implementation. Exl. wages

*t2.medium.elasticsearch = $0.073 -> 0,062 euro per hour -> 1,488 per day -> 10,416 per week -> 41,664 per month -> 499,97 euros per year.

The software is created by us. The final cost of the program will be approximately 70,000 euros. For the calculation of this price, the structure, functionalities, the design and the time of testing (and adapting) and implementation were taken into account. A patent on our software is approximately 12 750 euros (Patenthuis, 2020).

The price of AWS is approximately 500 euros. For this we have chosen the "t2 medium elasticsearch". There are also personal costs (for the programmer and the developer). We have taken an average wage for this.

Fixed costs each year:

- Marketing = 20,000
- Mobile, telephone, fax and mail = 1,500
- Maintenance and repair = 15,000
- Fire insurance = 500
- Staff: 60 000

We will use a part-time marketer for the marketing of our product. We also have maintenance and repair costs. These amount to 15,000 euros per year. These are costs that are spent to keep the software up-to-date and to correct any errors. To ensure that the marketing person can do his job properly, we also have postal, mobile phone costs. In order to provide a good service, we must ensure that we are available to customers at all times. The costs for this are 1,500.

Variable costs each year:

- Water = variable
- Electricity = variable
- Utilities = +/- 1,500

Income

We have a subscription price of 70 000 euro each year. As we are a B2B company, This is the price we will get from the streaming and broadcasting companies. a standard contract starts for 2 years. After this period, it is automatically renewed if there was no stoppage, 3 months before the start of the new year.

In addition, we will ask a price for the SLA our company offers. We would ask around 250 euros per month. This depends on the client and their demands. We would use this mainly to pay for maintenance and any repair costs.

As we want to provide our companies with the best possible service, even after the project has been completed, we provide the necessary service afterwards. Below you will find a small overview of some SLAs. As you will see, the main problems are of high urgency and so our team will come to solve them as soon as possible. In addition to the classic break and fix service, prevention and other maintenance problems will also be regularly viewed and checked.

Description Services	Priority	Respond Within	Resolve Within	Operational Hrs	Target
Break and Fix of Software	**Urgent**	2 hours	4 hours	OOH	85%
Install Software	**Medium**	1 day	+2 days on agreed date	Office hours	98%
Preventive maintenance	**Low**	/	+- 20 days of maintenance interval	Office hours	91%
Update software (cloud service)	**Low**	/	Uptime on monthly basis > 99%	Extended office hours	93%

Price-setting

The prices you see above are based on online price research. We have handled this very carefully. It is important to know that these prices are an indication.

We have chosen to use the cost-plus pricing strategy. This pricing technique only focuses on financial data. This determines the profit margin and cost price. This means that all costs associated with the software are added to the indirect costs and then increased by the desired profit margin. This is how we determined our description price (Desmyttere, 2020).

Calculation

SaaS Financial model by Dirk Creado, Prepco, and Peter Verhasselt, Sirris											
1. Product Business (excl Service business)											
			2021		2022		2023		2024		2025
Revenues in €		# cust	€	# cust	€	# cust	€	# cust	€	# cust	€
new customers in year x		2	140 000	4	280 000	7	490 000	12	840 000	17	1 190 000
recurring customers		0	-	1	70 000	3	210 000	7	490 000	13	910 000
total customers		2	140 000	5	350 000	10	700 000	19	1 330 000	30	2 100 000
lost customers		*0*		*1*		*2*		*3*		*6*	
Subscription price/year in € (Pricing)	70 000										
Customer Churn in yearly % (Retention)	30%										
Product revenues			140 000		350 000		700 000		1 330 000		2 100 000
Direct costs in €			2021		2022		2023		2024		2025
Direct Service Costs			-4 200		-10 500		-21 000		-39 900		-63 000
Direct Service Costs/Customer in % (Margin)	3%										
Direct Retention Costs			-7 000		-17 500		-35 000		-66 500		-105 000
Direct Retention Costs/Customer in % (Margin)	5%										
Direct Costs			-11 200		-28 000		-56 000		-106 400		-168 000
Estimated FTE in Service & Retention			0,2	-	0,4	-	0,8	-	1,5	-	2,4
Total Gross Margin			128 800		322 000		644 000		1 223 600		1 932 000
% Gross Margin			92%		92%		92%		92%		92%
Indirect Costs in €			2021		2022		2023		2024		2025
Acquisition Costs (Sales & Marketing)			-20 000		-40 000		-70 000		-120 000		-170 000
Acquisition Cost/Customer in € (CAC)	10 000										
Acquisition vs Revenues			14%		11%		10%		9%		8%
Estimated FTE in Sales and marketing			0,3		0,5		0,9		1,5		2,1
Product Mgmt (R&D and Development)			-100 000		-70 000		-50 000		-50 000		-50 000
Overhead (G&A)			-25 000		-30 000		-30 000		-30 000		-30 000
Estimated FTE excluding Sales and Servicing			1,6		1,3		1,0		1,0		1,0
Indirect Costs			-145 000		-140 000		-150 000		-200 000		-250 000
Total Costs			-156 200		-168 000		-206 000		-306 400		-418 000
EBITDA			-16 200		182 000		494 000		1 023 600		1 682 000
% EBITDA			-12%		52%		71%		77%		80%
Customer Life Time Value	€ 178 588										

1. Try to estimate how much your idea will cost to implement and operate
2. Estimate what the value is in your solution for customers, what will they be willing to pay?
3. Choose a pricing point based on this estimated value for customers

Calculate how many contracts/products you need to sell for you income (3) to at least match the cost (1).

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