**Business Plan**

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Under the guidance of:

Prof. Anthony Shotwell

Prepared By:

Shahin Mohammadkhani

Jessica Arabi

Isabelle Lee

Golbon Moridi

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# Executive Summary

OneMinuteFinance.com is currently an active site that provides an overview of daily financial news to its readers. OneMinuteFinance.com, unlike any typical financial website, will provide a unique avenue for education and entertainment of financial news through the medium of a blog. OneMinuteFinance is the answer to an increasing demand. Much of the online community want:(1) access to financial news that they can understand and absorb within a minute in such a way that they are not socially or educationally isolated, and (2) be part of a online community where they can share their opinions on financial news.

OneMinuteFinance's goal is to provide its readers with a social, educational, and entertaining medium to understand the most important daily financial news that will affect them and their wallet.

This business plan is prepared to obtain investment for $30,000 from venture capital. OneMinuteFinance’s Founder, Shahin Mohammadkhani and its directors, Jessica Arabi, Isabelle Lee and Golbon Moridi, do an additional investment of $8,000 from personal savings. The initial investment will allow for equipment purchases, proper marketing and operations for the first two years.

OneMinuteFinance will be incorporated as an LLC corporation. This will protect its founder Shahin Mohammadkhani and its investors from issues of personal liability and double taxation. The investors will not be liable for anything and will receive a 10% return on equity with a 5% interest after five years.

The financing, in addition to the capital contributions from the owner and directors, will allow OneMinuteFinance to expand its site and launch additional sites, which are OneMinuteBeauty and OneMinuteFashion. The large initial capital investment will give OneMinuteFinance the opportunity to properly advertise and promote its site within the online marketing industry. Successful operation and site promotion within the first two years will provide OneMinuteFinance with sufficient continuous visitors to be self sufficient in yearthree.

# Company Overview

## Mission Statement

***Provide a snapshot of the most important daily news in finance that affects you and your wallet.***

## Goal

To become the number one destination blog in providing content in finance, fashion and beauty that can be absorbed within one minute.

## Business Concept

OneMinuteFinance.com is a blog providing a snapshot of the most important daily financial news that affects every day person’s wallet. OneMinuteFinance intends to create a network of blogs that will concentrate on finance, fashion and beauty focusing its target market in California and later on expanding through the United States.

# Marketing Plan

## Industry Overview

The concept of blogging has made it mark in the cyberspace since the 90s. It has allowed many users publish content to the web and get their message across with out much technical effort. However, in the past few years, blogging has become a medium of tapping into niche markets. Good quality blogs tend to be interactive and allowing its readers to leave comments. Furthermore, blogging is now considered a form of social networking where one can write about facts with personal opinions behind it.

## Industry Trends and Comparisons

It is important to also analyze the indirect competition in order to observe what the ideal readers might be interested in for example:

* Social Networks, such as Facebook and Twitter
* General websites and blogs that may attract the same reader
* Or other successful blogs in the same category

Oneminutefinance.com will have to take into consideration the US laws that will impact the blogs The US Laws and regulations, which apply to operating online, include:

* Trademark and copyright protection
* Online privacy laws, including the Children’s Online Privacy Protection Act and data security regulations, both state and federal
* The CAN-SPAM Act
* The FTC Guidelines for endorsements and testimonial
* Libel

The two most common categories that are associated with blogging are trademark and copyright.

A trademark is a symbol, phrase word, or design that distinguishes the goods or services of a business. The trademark holder with the symbol TM asserts an unregistered trademark. A federal copyright law protects original works- literature, music, choreography, visual art, and architecture- from being stolen.

A license that is associated with blogs and social network sites is Creative Commons License. (Creative Commons, 2012) The six main Creative Common Licenses are:

* Attribution- Lets others distribute and build upon your work, even commercially, as long as they credit you for the original creation.
* Attribution Share Alike- Lets others remix tweak and build upon your work even for commercial reasons, as long as they credit you and license their creations under identical terms.
* Attribution No Derivatives- Allows for redistribution, commercial and noncommercial, as long as the work is passed along unchanged and in whole, with credit to you.
* Attribution Non-Commercial Share Alike- Lets others remix, tweak, and build upon your work non-commercially, as long as they credit you and license their new creations under identical terms.
* Attribution Non-Commercial No Derivatives- Is the most restrictive Creative Commons license. This allows others to share your works with others, but they can’t change them or use them commercially.

## Product and Services

OneMinuteFinance offers the average user with simplified and short news that covers the most and/or trendy financial news on a daily basis. There are many websites that cover financial news yet none have made it simple enough or short enough to be consumed within a relative short amount of time. We believe that by providing simplified financial information our visitors can gain financial knowledge and will be able to discuss them with their peers. Further since our analysis has show that majority readers are female, OneMinuteFinance can also become a medium of cross selling into the beauty and fashion verticals.

## Macroeconomic Overview

The Southern California County Job growth was assessed and includes the following data.

|  |  |
| --- | --- |
| Industry Leaders | High Tech |
|  | **Tourism** |
|  | **International Trade** |
|  | **Entertainment** |
| Industry Laggards | **Construction** |
|  | **State/Local Government Spending** |

OneMinuteFinance falls under two categories, which are high tech and entertainment. High Tech and Entertainment is the top four industry leaders forecasted for 2012. This is a promising outlook for OneMinuteFinance to enter into the market and expand its brand further, as the economy begins to improve.

The economic growth depicted in the graph indicates that the Annual percent change in GDP has increased by 1.1%, since 2011. . (BLS U.S Department of Labor. 2012) OneMinuteFinance will offer financial information in a simplified manner in order to educate individuals from all backgrounds and not limited to only financial savvy people.

## Target Market

Given that OneMinuteFinance.com is already a running site, we have been able to gather real time target market data using Google Analytics, which indicates that we already have global impact. We have attracted visitors from Europe, Asian and America. Moreover, we have had many visits within the United Sates. However, our target market is California, as the state is known for its blogging community as well as the demand for it.

A market analysis was conducted on bloggers overall including all categories, and according to this website these are the statistics. (Sysmos, Inc. 2010)

**Age**

* 21-35 year old demographic account for 53.3% of the total blog population.
* 20 years and younger account for 20.2% of the blogging population
* 36-50 year olds account for 19.4%
* 51% year old account for 7.1%

**Gender**

* Male 49.1%
* Female 50.9%

|  |  |
| --- | --- |
| Country | Share Percentage |
| USA | 29.22% |
| UK | 6.75% |
| Japan | 4.88% |
| Brazil | 4.19% |

|  |  |
| --- | --- |
| State | Share percentage |
| California | 14.1% |
| New York | 7.16% |

## Market Research Methodology and Results

From various survey methods such as surveymonkey.com Facebook and handouts, our team was able to gather 200 respondents. The data gathered provided invaluable data, which only confirmed our efforts of targeting out primary market. Some key findings in the target market analysis were the following:

* 68% of respondents where from the age of 18 to 39.
* 58% of respondents where female
* 67% of respondents where from California.
* When asked “What stops you from reading financial news on a daily basis?”
  + 56% responded with “Not Enough Time”
  + 25% responded with “Not Interested in Finance”

We believe that 25% of respondents who are not interested in finance can be a good audience to tap into with our site, as our content is short and easily understandable. It is a clear indicator that California ranked the highest percentage in individuals who took the survey. The results also correspond with the target market analysis, which demonstrates that California also has the highest share percentage of blog readers. We also plan to perform continuous analysis using outside market research companies such as Research Now who will provide us with greater test population. Complete survey results are available in Appendix A

## Market Demographics

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* 67% of respondents where from California.
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## Competition

OneMinuteFinance has three key competitors the market that will be assessed.

* **GoBankingrates.com**

*Strength*- the website has a wide variety of topics to choose from, such as technology, entertainment, and Wall Street.

*Strength*- the websites front page uses distinct pictures and bold letters in the headlines to capture the reader’s attention.

*Weakness*- the latest news tab is located on the second to the last tab, which would be out of sight for a reader who wants to capture the most recent news.

* **Bloomberg.com**

*Strength* -- The website has a Quick News tab which highlights the top headlines.

*Strength* --The websites Quick News tab also separates the tope headlines in categories such as regions, markets, and industries.

*Weakness* -- The financial data can be overwhelming to someone who is new to finance.

* **Marketwatch.com**

*Strength* -- The websites latest news tab is next the homepage, which makes and is also highlighted on the top corner of the page, which captures the attention of the reader.

*Strength* -- The website has a most popular section, which highlights the top 5 headlines.

*Weakness* - the website data and information is cluttered into one area which can be distracting to the reader.

Aside from analyzing direct competitors, the indirect top ten successful competitors were analyzed according to daily income, value and main income. According to this website, these are the top ten successful blogs. (Smith, M. 2012)

|  |  |  |  |
| --- | --- | --- | --- |
| Website | Daily Income | Value | Main Income |
| 1.     Huffington Post | $29,896 | $21.83M | Pay Per Click |
| 2.     Mashable | $15,781 | $11.52M | Advertisement Banners |
| 3.     Techcrunch | $14, 816 | $10.83M | Advertisement Banners |
| 4.     Engadget | $9,861 | $7.2M | Advertisement Banners |
| 5.     SmashingMagazine | $6,382 | $4.66M | Advertisement Banners |
| 6.     Tuts+ | $5,068 | $3.7M | Membership Area |
| 7.     Life Hacker | $4,821 | $3.52M | Advertisement Banners |
| 8.     Gizmodo | $3,918 | $2.86M | Advertisement Banners |
| 9.     Perez Hilton | $3,645 | $2.66M | Advertisement Banners |
| 10.  Joystiq | $1,752 | $1.28M | Advertisement Banners |

## Marketing Strategy

**The traditional ways to approach information has decreased and is continuously decreasing. The Internet plays a bigger and bigger role in getting daily news and therefore blogs become more and more interesting for consumers.**

**Currently, infographics are on place 5. As social media is around for some while, experts even predict that the interest in infographics will even increase during the year 2012. The way we consume Information has enormously changed during the last couple years.**

**But still, social media is on place 3. In the category of mobile social networking it is the fastest growing consumer mobile application**

**To be able to compete on that level, we have to consider using social media on our web site. Members are capable of signing up and being connected through our web site. This gives our members an additional opportunity to exchange information and even to do some networking.**

Projection of news and content on websites through video has been booming recently. Thus, video is becoming according through several statistics hugely important, especially since it is becoming more interactive. Meanwhile videos are responsible for 50% of all online traffic as our competitors do not provide that service in this shape, we will consider it as one of our strengths. Experts predict that the usage of smart phones with bigger screens will be a great platform for video education in the upcoming years.

To be competitive the phone applications do need to be engaging. According to recent statistics only one out of four mobile applications succeeds to be used frequently.

Sentersix is a great company to get the outcome we hope for.

What is even more interesting for us is that the shift happening from traditional marketing to social marketing is getting stronger and stronger in interactive social media, which we provide through our daily blogs.

## Pricing

As we are not directly selling any products to the visitors, it is through sponsorships and advertisements that we plan to receive a majority of our revenue. In that context, the pricing is done on the client side. CPC pricing can range from $1.50 - $10 and CPA can range from $10 - $250 depending on the client and the quality of the traffic on OneMinuteFinance.

## Marketing Communication Plan

A blog is basically a forum where chronological information, web links, personal thoughts are posted. A blog creates a sense of community where people can connect, have discussions or gather information related to the person’s interest.

Social media websites such as Facebook and Twitter will be utilized to build an online network for the blog. OneMinuteFinance will also hold contests on social networks such as Facebook in order to reach possible target markets. Facebook also has feature called the like button which can let the readers share your blog content with their friends on Facebook with on click. OneMinuteFinance will also participate in threaded discussion on other financial blogs. The purpose of blogging is to build a community with people who have the same interests. The key point is to connect with other bloggers, which are also in the finance industry, in order to gain valuable feedback and reach out the intended target market.

The following online advertisements will be utilized:

* **Pay per click (PPC)-** Advertising method where client pays vendor based on the number of clicks on their ads.
* **Pay per Acquisition (PPA)-** Advertising method where client pays vendor based on the number of successful transactions (offer sign up, complete a form)
* **Affiliate Marketing**- The person clicks on an affiliate ad on your blog or a link in your post and then actually purchases something; affiliate marketing is commission on a sale.
* **Direct blog sponsorship**-The company pays a fee to the blog to be listed as a sponsor, similar to underwriting on public television. A blog may have multiple sponsors or a single sponsor.
* **Advertisement banners** will also be utilized in order to promote the blog. Here are some key terms to take into consideration for advertising banners.
* **Click Through Rate (CTR)** -- The percentage of click through to banner views. A 1% CTR means that 1% of each 1000 banner views (or 10 visitors) have clicked through.
* **Banner views or impressions** -- Refers to the number of times a banner has been viewed. Almost the same as "page views," but some banner server programs don't count the banner view unless the visitor stays on the page long enough for the banner to be fully downloaded from the banner server.

### Promotion

OneMinuteFinance will also try and reach out to and promote the blog in a more traditional marketing manner such as:

* Passing out business cards, which will include the bog, it’s address and email signature.
* Try to find a business association that has a newsletter, which will include an announcement about the blog.
* Attend business trade shows and include the blog information in a brochure
* Attend Venture Capital events
* Promote the blog on social networks

# SWOT Analysis

## Strengths

* Capture the most important recent daily financial news that affects majority of American people.
* Provide a simple form of content (text, infographic, video) of the most important financial news that can be absorbed within one minute
* OneMinuteFinance is a catchy name that can be expandable into different verticals.

## Weaknesses

* New start up blog that skill working on increasing its readers.
* No as popular as other financial blogs or websites.
* Limited marketing budget.

## Opportunities

* No other financial blog captures the most important financial news in a snapshot that also keeps it simple to understand.
* Able to attract a broader demographic. (Women, people new to finance)
* Economic stress and high demand for financial literacy generates more demand on general financial knowledge.

## Threats

* Competitors may want to copy the concept of One Minute and create their own versions.

# Management Plan

## Organizational Structure

## Human Resources Plan

Our organizational culture is based on the four agreements, which are:

* Be Impeccable with your word
* Do not take anything personally
* Always do you best
* Never make assumptions

We also believe in the four “I” which are Intelligence, Integrity, Intuition and Initiative.

These guidelines allow us to perform our best every day and create a culture that is honest. Moreover, through daily sync meetings, all members of the company are able to communicate their primary goals, obstacles and wins. This will allow the company to stay up to day with every department where in the event of absence of a particular person, others can step in and manage daily business activities until a replacement is found.

OneMinuteFinance LLC, in its first year of operations has four part-time employees - who are partners at the same time:

* **Shahin Mohammadkhani**, Founder/CEO

Holds a Computer Science Degree and is currently pursuing an MBA emphasis in Information Systems. He has seven years of work experience in Software Engineering, Web Application Systems Development and Internet Marketing. He is also currently the Lead Software Developer at an Internet Marketing company where he provides software solutions in building Internet based enterprise applications. Besides the overall structure of the company, Shahin also overseas the technology department, making sure that the right infrastructure is set in place to become a top performer in the online industry. He also overseas Human Resources and assures that plans are set in place accordingly to move OneMinuteFinance in the right direction. His optimistic and persistent attitude is the key of his success as the founder of OneMinuteFinance.

* **Jessica Arabi**, Director of Marketing

She is currently a Validation Consultant for a Pharmaceutical/Cosmetic Company. She has a bachelor’s in Technical Management and Entrepreneurship and is currently finishing her MBA degree with concentration in Marketing. Jessica is a great market analyst and her outstanding performances in defining target markets and analysis of our demographic has helped OneMinuteFinance look at the market accurately, and learn from its requests and demands.

* **Isabelle Lee,** Director of Finance

She is pursuing her MBA in Accounting and is currently working as an accountant in of the leading movie and production studios in United States. Her vast accounting knowledge and attention to detail are helping OneMinuteFinance, to analyze and meet every financial requirement concerning our business and the market we operate in.

* **Golbon Moridi** Director of Operations

She is completing her MBA in Marketing. Golbon’s international experience allows her to see the current market demands in today’s market. Her location selection and eye for location as well as daily activities has allowed her to keep OneMinuteFinance current with times and keep up with legal aspects of content publishing.

### Compensation

OneMinuteFinance is a profit sharing company and all profits will be distributed accordingly to its members. Profits are estimated to arrive the third year. Please see financial worksheets for details.

### Roles and Responsibilities

**CEO**:

* Ensure the overall company’s mission and vision is translated into daily, weekly, monthly action plans and milestones.
* Create and maintain a safe and stable IT infrastructure that will allow technology to be scalable and robust with exponential increase in visitors.

**Director of Marketing:**

* Reports to CEO
* Manage and coordinate all marketing, advertising and promotional staff and activities
* Conduct market research to determine market demand for current and future websites that will be added to the network.

**Director of Finance:**

* Reports to CEO
* Prepare short and long-term financial forecasts and statements that will be used for internal decision-making.

**Director of Operations:**

* Reports to CEO
* Determine location of our office
* Determine timelines and meeting locations with possible clients and vendors.
* Help the CEO carry out daily and company wide operational activities and assuring tasks and deadlines are met on time.

# Operation Plan

## Facility Equipment and Plan

OneMinuteFinance will operate through virtual offices the first two years in operation. On third year we will occupy a physical office location.

The location requirements are as follow:

1. Close to main freeway access.
2. A space will we can call our headquarters but does not need to be very big.
3. Cost friendly where minimum amount of expenses are required.
4. In an area where other online marketing companies reside. This can create a sense of synergy.

The primary method is through online research. An ideal location was found online where actual location pictures and a Google maps snapshot could be seen in Appendix B.

The office is located at 2371 Rosecrans, Ave. suite #348, Manhattan Beach, CA. It is located a few miles south of LAX and a couple of minutes west of the 405 FWY. Moreover, it is minutes from the beach. The office is 806 square feet and comes with office furniture. The building provides secured parking to employees and guests. It is minutes from restaurants, movie theaters, bars which are all ideal places to meet clients for casual meetings. Facility photos and floor plan of the facility are in Appendix C.

### Equipment

The office is already furnished. However some additional features are required. Bellow is some needed equipment.

|  |  |  |
| --- | --- | --- |
| **Equipment Description** | **Provider** | **Note** |
| Internet Access | Verizon | T1 line |
| Wireless router | Linksys | Self-install |
| Laptop | Apple | Self-install |
| Software | Various | Self-install |
| LAN | Various | Self-install |

## Operating Strategy and Execution

The graph above depicts the overall operation of OneMinuteFinance and publishing of its contents.

* Search: Financial Expert(s) search financial websites for the most important/trendy financial news of the day.
* OneMinutify: Expert(s) simplify and summarize the news to be absorbed within one-minute approx.
* Publish: The news is published on website to be consumed by visitors.
* Promote: The news will be promoted through social media such as Facebook, Twitter, YouTube, etc.…

### Financial Expert Selection

OneMinuteFinance will search financial experts by posting on professional networks such as Monster.com and joining professional groups in LinkedIn. There are May financial writers in the industry that are willing to freelance. By promoting the site and its mission to them OneMinuteFinance will be able to have financial experts write daily articles for the site. The average rate for an article is currently $40/article.

## Information Technology Plan

Due to the nature of the business, OneMinuteFinance handles a lot of data at any given time of the day. Thus, Information Technology plays a huge role in the company’s daily activities. We are going to build as well has use third party infrastructures to maintain our business at a scalable pace allowing for continuous growth. The main point of contact with OneMinuteFinance is <http://www.oneminutefinance.com> where our content is published.

OneMinuteFinance’s corporate technology infrastructure will be as follows:

* **Office Equipment**
  + Apple Computers
* **Communication**
  + Skype
  + Netmeeting
  + Google Voice
  + Domain hosted email
* **Accounting**
  + QuickBooks
* **Decision Support Systems**
  + Google Analytics
  + Google Adsense
* **Application Development (Hardware/Software)**
  + PHP (Web development language. Open Source)
  + Wordpress.com (CMS)
* **IT Infrastructure Monitoring and Uptime**
  + EdgeCast CDN
  + Nagios (Security and vulnerability monitoring)
  + Dreamhost (domain hosting)
  + Pingdom (site uptime reporting)

# Risk Management

## Risk Analysis

A Risk Analysis takes into account and figures the predictable risks during operations of a company. Furthermore, it provides a set of reactive and proactive actions that can be taken to prevent or reduce the impact of the risk. The plan includes a list of foreseeable risks Durant the operation of OneMinuteFinance. It also includes the likelihood of it happening as well as the impact it will have on the overall company. Moreover, a set of predefined actions is put into place in response to each risk. Additionally, contingency actions are put into place to reduce the impact if the risk would occur.

The matrix below identifies each risk, its likelihood and impact as well as its detection method. Immediate action description and later actions are also defined. Furthermore, the effects of the risk on users and its mitigation are also discussed.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Likelihood** | **Detection, how will we know it has happened** | **Immediate Action** | **Later Action** | **Effect on Users** | **Mitigation and Contingency** |
|
| Unauthorized modification of data | Low | Periodic Auditing of logs. Continuous Anti-Virus system execution. | Restore modified content. Change passwords | Repair security breach. Determine root vulnerability. | Users may not access data. | Determine root vulnerability. Repair vulnerability. Update and run anti virus programs to determine the root of the problem. |
| Data loss | Low | Nagios Warning | Restore data from previous backup. | N/A | Users will not have access to their data. | Local and offsite backups in place. |
| Software failure | Medium | Nagios Warning | Update/repair software. | Update/repair software. Purchase new software | Low effect or no access to software. | Update software to latest stable version. |
| Building Damage (earthquake, fire.) | Low | Warning from hosting providers and building management | Move data to back up center Communicate through crisis phone tree | Move back to primary data center | No Access to LAN or software for internal users. | N/a |
| Local network failure | Low | Nagios Warning | Repair network | Replace failed hardware. | No access to local users | Have a slave network ready to go. |
| Power failure | Low | Nagios Warning, Warning from hosting provider. | Move application to backup data center | Move back to primary data center | No access to software. | Slave Servers in place at other locations. |
| Loss of employee | Low | Notice | Team assumes position. | Find replacement | Users will need to re prioritize | Determine reason and put in place actions to prevent future events. |

Nagios is an open source and powerful system monitoring system that allows us to monitor and resolve IT infrastructure problems. Because, we are in a fast pace industry, daily SCRUM meetings are held to have everyone in the company aligned with company overall goals and daily activities. The meeting is lead by the CEO Shahin Mohammadkhani. Any business and/or operational concerns are brought up during this meeting.

# Financial Plan

## Financial Assumptions

OneMinuteFinance is taking a conservative approach in projecting performance of the company in the next five years. We anticipate a 15% monthly growth in web traffic in the next five years, which will affect our CPC and CPA payouts.

## Start Up Costs

OneMinuteFinance, LLC required a total capitalization of $13,270 to operate its business. Fifty-six (56%) percent has been allocated towards setting up the IT infrastructure, which includes computer and network equipment. Because we are not occupying any office space it has allowed us to keep our expenses low. The diagram (AC-1) below illustrates the distribution of startup costs.

Total Capitalization: $13,270.00

Please refer to Appendix AC - 1 – Detail of Start-Up Costs or itemized purchases and expenses.

## 2012 Operating Costs & Five Year Projections

For the first year, the operating costs will be $4950. Thirty seven (39%) percent of the operating costs will be Internet and telephone ($1920). Thirty-three (33%) will be printing fee for flyers ($1650) and 24 % on depreciation ($1200) and 4% on Bank fee ($120).

We are increasing outside contractor (financial experts) cost on a yearly basis and keeping the marketing costs at a constant level. Quality content is important to us. However we have to make sure that we invest and spend accordingly to have a sensible ROI. There is a huge jump from the second and third year and that is because we lease an office space on the third year. As our Operating Expenses Increase over the next five years we expect our visitors will as well to counter act the expenses. Refer to Appendix AC-2 - Operating Expenses for more detail.

## Capital Budget

Twenty-one (21%) of the total capitalization, which is $8,000, will come from contributions of the (4) executive staff. Each contributed $2,000 to start the business. The remainder seventy-nine (79%) percent, which is $30,000 well, come from an investor. The investor loan period will be of five year where they would receive 10% interest on equity as well as a 5% interest year interest which will be released at the end of the fifth year. Table below shows the breakdown of the sources.

|  |  |  |
| --- | --- | --- |
| **Source of Funds:** | **Amount** | **%** |
| Owner's Capital | $8,000.00 | 21% |
| Investor | $30,000.00 | 79% |
| Total Investment | $38,000.00 | 100% |

## First & Five Year Sales Analysis & Projection

The graph below describes our first year sales. Our PPC and PPA campaigns. Our PPC (pay-per-click) campaigns is based on Google Adsense tiered pricing system with a 15% monthly growth in traffic and a 1.5% CTR (Clickthrough-rate). With Google Adsense as the amount of clicks increase on the site, so does their PPC payout. Our PPA sale is assumed at a modest $10.00 per acquisition at a 3% successful transaction meaning that 3% of users clicking on a PPA ad actually convert on the client side.

The graph below also shows that One Minute Finance breaks even in march of 2012.

Refer to Appendix AC-3 – First and Five Year Sales Analysis and Projections Detail

## First Year Earning Analysis & Cash Flow

As we start our business we start the first few months with a loss. However, starting Mach 2012 we begin seeing positive income as a result of aggregated payouts and traffic. The graph below summarizes a bi-monthly view of first year’s earnings.

The Following graph depicts the stamen of cash flows with yearly beginning and ending balance. The significant jump signifies OneMinuteFinance reaching higher tiers in CPC payout. Refer to Appendix AC – 5 - Statement of Cash Flows for more detail.

## Balance Sheet Five Year Forecast

Upon the end of the first year (2012), the company’s total assets will be $39,262 (refer to Appendix AC-4 – Balance Sheet Five Year Forecast). Due to the nature of the business majority of assets will constitute of cash. Because we are an online business, our traffic will grow exponentially each year. In year 4 is when we will see a real growth in assets. By the end of year five we have a total returned earning of $10 million. The exponential growth of our site will allow the company to reinvest and grow the concept to other networks and invest a bit more into marketing the site.

## Financial Ratios

The company’s financial ratios demonstrates a substantial return on investments from the third year (71%) to the forth year (104%) and we maintain a close return on year five. We also managed to keep our debt to equity ratio below 20%. Refer to Appendix-AC-6 – Financial Ratios, for further details.

## Exit Strategy

OneMinuteFinance does not plan on exiting the market after its fifth year. With its continuous growth and plans to expand its verticals, OneMinuteFinance is looking to get acquired by a larger company where we would vale OneMinuteFinance at $15 million. Further more, the executive board of OneMinuteFinance will remain as advisors of the company. However, if one chooses to part ways, they will receive their portion of the profit.

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# Appendix

**Appendix A: Market Survey Questionnaire and Results**

1. What is your age group?
   * Ages 18-39 - 68%
2. What is your gender?
   * Male- 42%
   * Female- 58%
3. What state do you live in?
   * California -92%
4. What stops you from reading financial news on a daily basis?

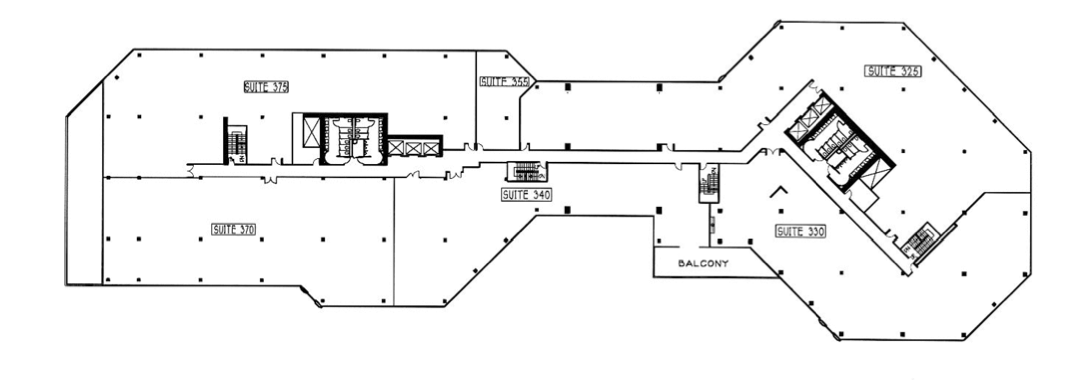
* Not enough time - 56%
* Don’t understand financial terms – 12%
* Not interested in Finance - 25%
* Don’t know where to go to read about finance

**Appendix B** – **Facility Screen Shot**





**Appendix C**- **Facility Floor Plan**



**Appendix AC-1 – Detail of Start Up Costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Capital Expenditures** |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| I. Computers/Equipment |  |  |  |  |
|  | Qty | Unit cost | Shipping cost | Total |
| Laptops | 4 | 1,500 |  | 6,000 |
|  |  |  |  |  |
|  |  |  |  |  |
| Total: |  |  |  | **6,000** |
|  |  |  |  |  |
|  |  |  |  |  |
| Grand total on CAPEX: |  |  |  | **6,000** |
|  |  |  |  |  |
| **Other Start-up costs** |  |  |  |  |
|  |  |  |  |  |
| I. One-time costs |  |  |  |  |
|  | Qty | Cost |  | Total |
| Legal and professional fee | 1 | 5,000 |  | 5,000 |
| License and permits | 1 | 300 |  | 300 |
| IT infrastructure monitoring | 1 | 595 |  | 595 |
| Software | 1 | 400 |  | 400 |
| Web hosting | 1 | 100 |  | 100 |
| LAN & DOMAIN NAME | 1 | 300 |  | 350 |
| Total: |  |  |  | 6,745 |
|  |  |  |  |  |
| II. First three month's operating expense |  |  |  |  |
|  | Month | Cost |  | Total |
| Bank Fee | 3 | 15 |  | 45 |
| Depreciation Expense | 3 | 100 |  | 300 |
| Internet & Telephone | 3 | 160 |  | 480 |
| Miscellaneous | 2 | 150 |  | 300 |
| Total: |  |  |  | 1125 |
|  |  |  |  |  |
| Grand total on Other Start-Up Cost: |  |  |  | **7,870** |
|  |  |  |  |  |
| GRAND TOTAL START-UP COST: |  |  |  | **13,870** |

**Appendix AC-2 – Operating Expenses**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **General & Administrative expense** |  |  |  |  |  |
| Salary expense | 0 | 0 | 48,000 | 48,000 | 96,000 |
|  |  |  |  |  |  |
| Depreciation expense | 1,200 | 1,200 | 1,200 | 2,400 | 3,000 |
| Employee Benefits | - | - | - | 9,600 | 9,600 |
| Rent Expense |  |  | 26,598 | 26,598 | 26,598 |
| Parking fee |  |  | 3,360 | 3,360 | 3,360 |
| Bank account's fee | 180 | 180 | 180 | 180 | 180 |
| Internet & Telephone | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 |
| IT Infrastructure Monitoring |  | 595 | 595 | 595 | 595 |
| License & Fee |  | 1,000 | 2,000 | 3,000 | 6,000 |
| Office supplies | - | 600 | 600 | 1,200 | 1,800 |
| Outside Contractor |  | 2,080 | 4,160 | 6,240 | 14,600 |
| Utility Expense |  | 600 | 600 | 600 | 600 |
| Web Hosting |  | 100 | 100 | 100 | 100 |
| Expenses for Software |  | 400 | 400 | 400 | 400 |
| Marketing costs |  | 14,400 | 14,400 | 14,400 | 14,400 |
| Trade Shows |  | *10,600* | *10,600* | *10,600* | *10,600* |
| Print | *1,650* | *1,800* | *1,800* | *1,800* | *1,800* |
| Travel Expense |  | *2,000* | *2,000* | *2,000* | *2,000* |
| **Total Operating expense** | **4,950** | **23,075** | **104,113** | **118,593** | **179,153** |

**Appendix AC-3 – First and Five-Year Analysis and Projections Detail**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Items** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **March** |
| **Sales Revenue** |  |  |  |  |  |  |
| PPA |  |  |  |  |  | 227 |
| PPC | 41 | 124 | 34 | 770 | 82 | 303 |
| **Net Sales Revenue** | 41 | 124 | 34 | 770 | 82 | 530 |
| **Items** | **April** | **May** | **June** | **July** | **August** | **Sept** |
| **Sales Revenue** |  |  |  |  |  |  |
| PPA | 261 | 300 | 345 | 397 | 456 | 525 |
| PPC | 348 | 400 | 460 | 529 | 609 | 700 |
| **Net Sales Revenue** | 609 | 700 | 805 | 926 | 1065 | 1225 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **Sales Revenue** |  |  |  |  |  |
| PPA (pay per acquisition) | 2,512 | 17,507 | 93,690 | 1,005,300 | 6,351,600 |
| PPC (pay per click) | 3,700 | 21,900 | 109,500 | 547,500 | 3,285,000 |
| **Net Sales Revenue** | **6,212** | **39,407** | **203,190** | **1,552,800** | **9,636,600** |

**Appendix AC-4 – Balance Sheet Five-Year Forecast**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **Current assets** |  |  |  |  |  |
| Cash and equivalents | 33,944 | 49,519 | 137,122 | 1,449,920 | 10,102,541 |
| Receivable | 518 | 3,284 | 16,933 | 129,400 | 803,050 |
| **Total Current assets** | **34,462** | **52,803** | **154,055** | **1,579,320** | **10,905,591** |
|  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |
| Property, Plant, Equipment | 6,000 | 6,000 | 6,000 | 12,000 | 15,000 |
| Accumulated Depreciation | -1,200 | -2,400 | -3,600 | -6,000 | -9,000 |
| **Total Non-current assets** | **4,800** | **3,600** | **2,400** | **6,000** | **6,000** |
|  |  |  |  |  |  |
| **Total Assets** | **39,262** | **56,403** | **156,455** | **1,585,320** | **10,911,591** |
|  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Account payable |  | 808 | 2,583 | 6,000 | 7,608 |
| Income Tax payable |  | 800 | 8,758 | 132,784 | 847,828 |
| **Total current liabilities** |  | **1,608** | **11,342** | **138,784** | **855,437** |
| Long term liabilities | 63 | 840 | 5,356 | 70,427 | 500,908 |
|  |  |  |  |  |  |
| **Total Liability** | **63** | **2,448** | **16,697** | **209,211** | **1,356,344** |
|  |  |  |  |  |  |
| **Shareholders' equity** |  |  |  |  |  |
| Owners' Capital | 38,000 | 38,000 | 38,000 | 38,000 | 38,000 |
| Retained earnings | 1,262 | 16,794 | 107,113 | 1,408,536 | 10,018,155 |
| Dividend Paid | -63 | -840 | -5,356 | -70,427 | -500,908 |
| **Total shareholders' equity** | **39,199** | **53,955** | **139,757** | **1,376,109** | **9,555,247** |
|  |  |  |  |  |  |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **39,262** | **56,403** | **156,455** | **1,585,320** | **10,911,591** |

**Appendix AC – 5 - Statement of Cash Flows**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
|  |  |  |  |  |  |
| **Cash flow from operating activities** |  |  |  |  |  |
| Net income or loss | 1,262 | 15,532 | 90,319 | 1,301,423 | 8,609,619 |
| Depreciation and Amortization | 1,200 | 1,200 | 1,200 | 2,400 | 3,000 |
| Changes in working capital |  |  |  |  |  |
| Changes in receivable | -518 | -2,766 | -13,649 | -112,468 | -673,650 |
| Changes in payable | 63 | 2,385 | 14,249 | 192,513 | 1,147,134 |
| **Net cash flow from operating activities** | **2,007** | **16,351** | **92,119** | **1,383,869** | **9,086,102** |
|  |  |  |  |  |  |
| **Cash flow from investing activities** |  |  |  |  |  |
| Purchase of PPE | -6,000 |  |  | -6,000 | -3,000 |
| Payment to deposits |  | - | - | - | - |
| **Net cash flow from investing activities** | **-6,000** | **-** | **-** | **-6,000** | **-3,000** |
|  |  |  |  |  |  |
| **Cash flow from financing activities** |  |  |  |  |  |
| Paid dividend | -63 | -777 | -4,516 | -65,911 | -430,481 |
| **Net cash flow from financing activities** | **37,937** | **-777** | **-4,516** | **-65,071** | **-430,481** |
|  |  |  |  |  |  |
| **All net cash flow** | **33,944** | **15,574** | **87,603** | **1,312,798** | **8,652,621** |
|  |  |  |  |  |  |
| **Beginning balance of cash** |  | **33,944** | **49,519** | **137,122** | **1,449,920** |
| **Ending balance of cash** | **33,944** | **49,519** | **137,122** | **1,449,920** | **10,102,541** |

**Appendix-AC-6 – Financial Ratios**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Profitability Ratios** |  |  |  |  |  |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| ROI | 3% | 30% | 71% | 104% | 99% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liquidity ratios** |  |  |  |  |  |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
|  |  |  |  |  |  |
| Debt to Equity | 0% | 5% | 12% | 15% | 14% |
| Net working capital | $34,462 | $51,194 | $142,713 | $1,440,536 | $10,050,155 |