



MGT1022

Lean Startup Management

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Project Report

Submitted To:
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PRODUCT NAME: “TraxiT”

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Abstract

Due to the hectic and busy schedules in modern day homes, it gets very difficult to keep track of all the small; yet important items. It can become very irritating, if you don't find the right things at the right place. Simple issues like; forgetting the key during the morning rush hour, or trying to frantically find your wallet/ purse while there's a delivery right at your doorstep; can turn a happy day into a dull one pretty quickly. Although, this doesn't seem like a very big problem, but it can be a huge relief for people who are not able to keep themselves organized throughout the day.

We aim to reduce this chaos, by introducing a brand-new range of devices that can help you keep track of your belongings even in hasty situations. As a part of our prototype, we would present a design that can be used as a keychain or a small stick-on inside your wallet/purse/handbag. This tracker would have a small chip that would be linked to you mobile via a mobile application. This would not only reduce the stress, but also keep you calm during a time like this. The cost for the product would be kept at the minimum, in order to maximize the coverage of the product. The only thing we want is the customer to be on the right track!

The Startup Equation

$$\underbrace{((\text{En}(\text{Id})) + \text{So})^x}_{\text{Foundation}} + \underbrace{((\text{Cu}(\text{Te} + \text{Ce})) \text{Br})^x}_{\text{Experience}} + \underbrace{(((\text{Fn}(\text{Sa} + \text{Ma})) \text{Sc}) \text{In})^x}_{\text{Growth}}$$

FOUNDATION

This serves as the first part of the Startup Equation and consists of 3 components:

- Entrepreneur
- Idea
- Solution

Entrepreneur

As entrepreneurs, we want to solve daily life problems that the common man faces by coming up with innovative ideas. The main motive for us, as an entrepreneur, is to reach a solution that provides maximum benefit to the common man, while ensuring the well being of the company as well. For the customers to be happy, we want to make sure that we provide the product at an efficient cost. Further, we aim at providing a one for all solution that facilitates the functionalities properly. As a company, we also want to make sure that appropriate profits are made, keeping in mind the preservation of the market integrity. We don't want to exploit the market by introducing a product with extravagant prices while maintaining a certain standard of quality and customer service.

Idea

The most used items are the ones we generally forget in a hurry. Usually, people have a schedule they follow on a daily basis. This schedule keeps havoc out of people's lives, but it is that one moment in the morning that can ruin the entire day. The one moment where we can't find the things we use every day. These could be keys, wallets, a handbag or a small purse.

It can be very annoying when we can't find things we use on a daily basis. Many times, searching for such things takes a lot of time and effort. This is usually because we don't pay too much attention to the places we keep them. Since it's an everyday thing, we tend to slack away in the proper storage of such things.

The entire idea lays a foundation for a device that can keep track of these daily use items in case one forgets them. Because the need for these items is in situations of urgency, it can be quite a stress reliever to have something do the dirty work for you. Reducing panic and tension is what we aim to achieve with this product. Another task related to the idea is to make the device look fashionable. This device shouldn't be something that catches the eye of many people. Since nobody likes the tag of being a forgetful person, the idea is to keep the device simple, elegant and lightweight. This will allow it to hide in plain sight while staying true to its intended purpose.

Solution

After discussing and brainstorming, we come up with a very simple yet unique solution to the problem stated before. We believe that by introducing a change into people's lives, we can be a part of a step towards a stress-free routine.

We have made the product for people to sit back and relax, focusing on other aspects of their work not worrying about the little things. 'Traxit' will be a small cuboid-shaped flat plate that will have a small hole at a corner. Inside this will be a Bluetooth module chip that helps the user find the intended item. In case the user forgets their key or wallet, they can use their mobile to see the exact location of the item. We also plan on placing a small light that would glow upon being activated by the mobile app. This will help the user find the item in close proximity after being guided by the Bluetooth feature available on the mobile application.

EXPERIENCE

This serves as the second part of the Startup Equation and consists of 3 components:

- Culture
- Team
- Customer Experience
- Branding

Culture

- Respecting the demands of the customers and doing business with a open mind are some values we here in Traxit will try to convey to our employees and expect them to respect this culture to strengthen customer relations and a healthy and friendly work environment. We also believe here rewarding employees for a good suggestion for the product to boost their performance.
- We at Traxit strictly believe that family life is a very important and families play a very important part in the life of people giving them support and so we keep this in mind and believe that a balance of both work life and family life is important and so we organise dinner and parties at the end of a successful financial quarters for a light mood change for our employees.

Team

- We here at Traxit believe in team spirit and have a certain way to determine which role is best for a particular employee of the team.
- We find the personality traits that could match the employee's potential giving him a boost and also, boost to the company for a successful business year but there is a catch to it no team member has a permanent role, the roles are on rotational basis so every team member gets the gist of every perspective of the product and then the final role is offered .

Our team consists of Dreamer,visionary,doer ,hustler,and the architect .

Customer Experience

Customer discovery can be described as:

- a) The first step of customer experience is through identifying their need for the product and companies grow through those needs by providing the products
 - b) We understand the need of our customers , hence therefore we come up with the perfect Hypothesize potential solutions. We look forward to establish a system that could create a solution of the customers.
 - c) Identify assumptions that are central to your hypothesized solution, including assumptions about
 - *Business environment
 - *Dependencies
 - *Minimum requirements for a solution
 - *Change management required
- #A helpful way to identify assumptions is to ask, “What must be true for this solution to be effective?”
- #Or The Worst possible Solution can be taken as assumption, so the needed solution can be Obtained.
- d) Validate assumptions.: Talk to customers and gather data to validate your assumptions and test your solution. There are many different ways you can go about validating assumptions.

Branding

Branding gets Recognition the Market

The most important reason branding is important to a business is because it is how a company gets recognition and becomes known to the consumers. The logo is the most important element of branding, especially where this factor is concerned, as it is essentially the face of the company.

Branding increases Business Value

Branding is important when trying to generate future business, and a strongly established brand can increase a business' value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace.

Branding generates New Customers

A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique.

Improves Employee Pride and Satisfaction

When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and help in high regard amongst the public makes working for that company more enjoyable and fulfilling. Having a branded office, which can often help employees feel more satisfied and have a sense of belonging to the company, can be achieved through using promotional merchandise for your desktop.

Creates Trust within Marketplace

A professional appearance and well-strategized branding will help the company build trust with consumers, potential clients and customers. People are more likely to do business with a company that has a polished and professional portrayal.

Being properly branded gives the impression of being industry experts and makes the public feel as though they can trust your company, the products and services it offers and the way it handles its business.

Branding Supports Advertising

Advertising is another component to branding, and advertising strategies will directly reflect the brand and its desired portrayal. Advertising techniques such as the use of promotional products from trusted companies such as Outstanding Branding make it easy to create a cohesive and appealing advertising strategy that plays well into your branding goals.

GROWTH

This serves as the third part of the Startup Equation and consists of 3 components:

- Funding
- Sales
- Marketing
- Scale
- Innovation

Funding

For the Initial Investment, we would be reaching out to different kind of investors. The total initial investment for the first quarter would be somewhere around 24 Lacs (as discussed later).

This Capital would be used to pay basic utility bills, renting the warehouse, paying staff and other miscellaneous expenses.

The Capital would be made up of firstly, our own funds and the rest would be from sources like crowd fundings or venture capitalists.

Sales

The first quarter would be the testing phase wherein, we will target a sale of about 10,000 units. This will be done via online marketing and online sales.

In order to increase our sales, we would surely go for commercial advertisements as they will take our product to a large population.

The total revenue generated would be somewhere around 34 Lacs, of which about 13 Lacs would be profit. More concise figures are discussed later.

Marketing

In the initial stages of our product launch we will send out samples to all types of small technology related shops in the market. This would help us identify the specific target audience.

Online advertisements like on google, youtube, yahoo and many gaming platforms can be very profitable as they target a very large audience. Many websites also exclusively provide facility of promoting products online, they do this by giving advertisements in various websites. There are a lot of Social Media Influencers who have a huge following on internet, they can also be asked to endorse the product.

Scale

Units: The first and foremost scaling would be in the number of units sold. For this we would need to scale another aspect of the business. This would be advertisement.

Advertisement: Once the testing phase is over, to increase the sales, we would also need to increase the advertisement cost. On services like Google Ads, the number of target ads can be increased which would obviously require more funds.

Machinery: While scaling, there will also be an expansion in the machinery. Instead of just 2 printers, we would want more printers that would increase the units made per batch and also keep things streamlined.

Manpower: To handle the increase in machinery and units made, there could be a requirement for more personnel as well.

Diversification: If our initial products start selling, we would want to diversify our product range. We would introduce more variants in the same product and provide some combo offers as well.

Innovation

As the scaling of the company will move forward, there is another very important aspect that must be considered. This is innovation. The innovation of the product and company must keep going on. Although this can be very risky as well, processes like design thinking, strategic foresight and open innovations can be very helpful and critical in the growth of the company.

Changed in design, colour of the product, packaging, marketing and presentation of the product matter a lot. These can become a boost for the product, if used correctly.

X-Factor

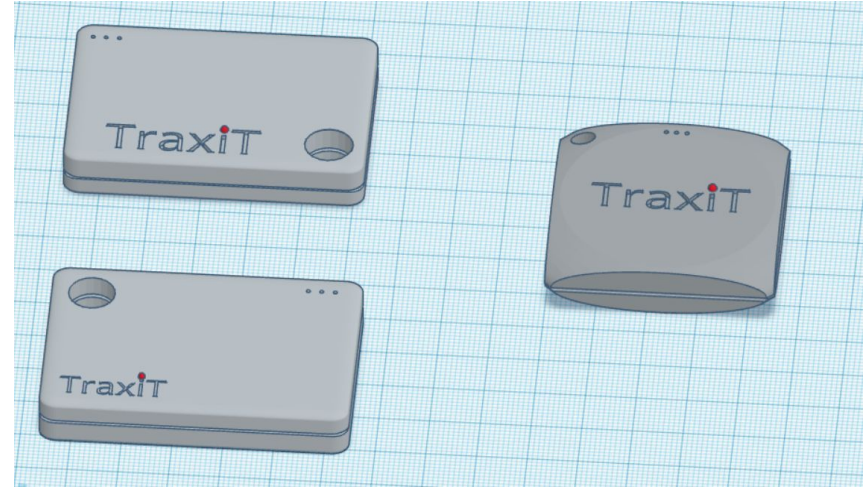
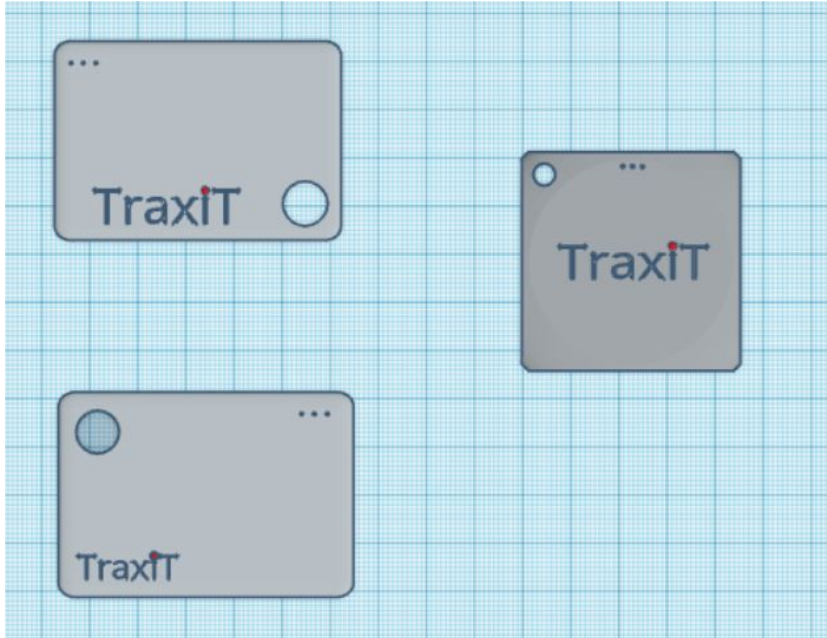
The features that makes a successful company different from less successful ones, other than all the technical factors is what we call X-Factor. All the people in a company- employees, managers or other officials must make a positive environment which makes them motivated. All these driving forces like passion, imagination, charisma, optimism are derived from a healthy and positive work space. We would try to have a positive and healthy environment where each and every one has a right to speak and talk about his ideas for the company's growth.

Business Model Canvas

The Following Link is to the Business Model Canvas:

<https://drive.google.com/file/d/11PET4zc--C97QyZeQPYPbHLWe4YblsqOI/view?usp=sharing>

3D model of the product



Product Pricing

Component	Cost (per piece/in Rs.)
Body/Case	20
LED	5
Buzzer	7.5
Bluetooth Chip	120
Battery	10
Production + Packaging + Assembling	5 + 25 + 20
Total Cost	212.5

Estimated Revenue and Profit

Final Pricing:

1 unit = Rs. 349 only

Set of 2 = Rs. 599 only

If we aim for 10,000 units for one quarter (testing and development phase)

300 X 200 build area -> 29.0 cm X 19.0 cm available for printing

$(212.5 \times 10,000 = 21,25,000)$ (product) + $(15,000 \times 2 = 30,000)$ (machinery) + (approx 15-20000)(App building) + $(15,000 \times 3 = 45,000)$ (Staff cost) + $(5000 \times 3 = 15,000)$ (warehouse cost) + (10,000)(office expenses) + (1,00,000)(Advertisement)

Total initial investment = 23,45,000

Total Revenue = $349 \times 10,000 = 34,90,000$

Total Profit for the first quarter = $34,90,000 - 23,45,000 = 11,45,000$

Once the testing phase is over, the machinery and app building cost would be recovered. After this if we maintain at least 10,000 units sold per quarter, profit will increase to a minimum of 11,95,000 per quarter.

Interview Excerpts from Stakeholders

Written Interview with a Supplier:

<https://docs.google.com/document/d/1-SMrWK31dcUm1RtteUhUMxCj8-Y-3UCW-wb5B44e3b4/edit?usp=sharing>

Written Interview with a Customer 1:

<https://docs.google.com/document/d/1GvjCW2r2CzZw3SWKn31z9x8kTIhmMX20VwMBHVprZKI/edit?usp=sharing>

Recorded Interview with a Customer 2:

https://drive.google.com/file/d/1S6ykdkRtpqx6CqI-sD7YF3og_Iz-YCyI/view?usp=sharing