Final Project - The Deliverables
TEM400/598
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Submission: Canvas
Presentation Format: PowerPoint
Paper Format: Word, pdf

1. Company purpose - Define the mission of your company in 1-2 sentences. 5 pts.

To eliminate real life problems faced at airports to search the connecting flights terminal & Gate number, by providing internal map of airport on the application it will become easy for the travelers to navigate. Wouldn't it be wonderful if we could save time at the airport?

Our product is a travel application/website that will first be offered as an airport-specific indoor navigation software.

2. Problem - What pain are you solving? 10 pts.

- The problems that people face are:
- No indoor navigation is available
- Waste of time, money
- Too many flight operators - too many options - too much confusion
- WIFI can be unsure
- International travelers have lots of problems because of language barriers
- No time zone updating

According to a report, around 70,000 travelers are missing flights every year due to long security lines and lack of internal navigation in the airport.

An article by Forbes claims that every one of every 7 passengers miss their flights due to long security checkup lines and time shortage.

Also, an article by BBC News claims that around 25 million bags every year are mishandled by airlines and didn't reach their owners.

3. Solution - Present your value proposition. 10 pts.

Our application targets passengers and increases their accessibility to the services offered by the airline industry. Since our app is based on the industry itself, we will inculcate changes and feature updates simultaneously.

The solution that we offer:

- Primary offering – internal navigation at airports
- Team virtuoso aspires to introduce a travel app - airnav
- App would allow users to schedule cabs on travel days, at arrival and departure

- Login/ sign up - enter flight details - app would show all requirements/de tails of the flight
- App would integrate google maps, apple wallet support to function.
- The initial version of this application is going to introduce:
- Indoor navigation in airports
- On arrival at airport - app would show turn by turn directions to reach the terminal, gate, boarding times, group numbers etc.

4. Timing - Talk about the development of your market space. In terms of timing, why now? 5 pts.

In such a fast-paced environment, it is past time for someone to come up with this answer. Google is already in negotiations to do something similar, but has yet to do so. We'd want to accomplish it ahead of them.

- App would be introduced on the AppStore and Play Store
- App would be targeted to Business Travelers, Recreational Travelers, Families, Students etc.
- Marketing would be done through digital marketing, Facebook ads
- App would generate income through Subscription to premium memberships
- App would generate income through ad clicks, downloads etc.

5. Market size - Identify/profile the customer you cater to. Show market sizes (TAM, SAM, TM) 15 pts.

Market size - The market size of private Airlines is $24.4 billion and has been increasing exponentially. in 2021.

- Every year 405 million travelers travel for long distance business trips.
- There are 1.4 billion tourist trips each year for international trips.
- Around 34 million students travel internationally each year.

The customers we will cater to would be:

- International students- For pursuing their further education abroad, millions of students travel internationally from all over the world. Most of the students who travel for the first time internationally often get confused to find their connecting flight terminals.
- Tourists- Since a little control of the pandemic, tourists have recently started to travel again.
- Event Managers - To manage concerts all over the world, various fashion shows and openings, event managers play a huge part in it. They are one of the major people to take part in travelling internationally.
- Families - Lots of family members and relatives live separately from each other for various reasons and this in turn makes them a huge contributor to the audiences that travel internationally to meet their loved ones.
- Sports Players and the audiences that come to watch the games - Due to various sports events held all over the world, from Cricket tournaments to Olympics and now the FIFA world cup in Doha. The players need to travel continuously for these games which again contribute as our major customers after the beach head.

- Business Travelers - Business analyst, international project Managers, Event managers

TAM, SAM, TM

Segment	Market 1	Volume	Market 2	Volume	Market 3	Volume
	Business Travelers		**Tourists**		**International Travelers**	
TAM	Business Trips	47.45 billion	Tourist trips	1.47 billion	International Trips	4.5 billion
SAM	Business Trips by flights	23 billion	Tourist Trips by flights	545 million	International trips by flights	3.12 billion
TM	Domestic business trips in flights	7 billion	Domestic Tourist trips in flights	164 million	Citizens travelling internationally	900 million

Market 1: In market 1, we listed business travelers across the world. These people travel for work and travel very frequently. These people would be interested to use our app and its services as they are primarily interested in saving time and money.

Market 2: In market 2, we listed tourists who travel for recreational purposes. These people are interested in leisure activities and go to tourist attractions all over the world. These people would be interested in using our app and its services because of the itineraries they follow while travelling.

Market 3: In market 3, we listed international travelers, who travel abroad from the US to other countries. Though the number has considerably reduced because of the pandemic, these people would be interested in using our app and its services as they travel to new airports. They will find our app useful in such situations.

6. Competition - Who is your competition? Compare your capability to theirs (competitive map works here). 5 pts.

Airline companies are our biggest competition as they are already in a continuous improvement process.

Direct Competitors – Major Airline Companies American, Alaska, Southwest

Indirect Competitors- Google Maps, Apple Maps

Why is our product better?

It's a pain if you have 2-4 connecting flights, therefore instead of installing all the airline apps, you can obtain a one-stop solution by downloading our app.

- No customer complaints, Less Miss handling of luggage,
- Convenient meetup area, Increase business relations,
- Reaching at connecting flights on time, No Luggage lost
- Root map, Airport relations, Express immigration

7. Product - Describe your product and review its details (e.g., functionality, features, design, IP). What is your development roadmap? 10 pts.

How does it work? Underlying technology – positioning to navigation a one stop solution.

- Indoor positioning system (IPS), can be made possible by help of geo mapping by LiDAR sensors.
- WIFI access points.
- Ble beacons.
- Geofencing.
- Augmented reality (AR), 5g connectivity.
- App user interface, servers, cloud platform.

Features are:

- Designated purpose.
- Free version available.
- Interactive user interface.
- Superior customer support.
- One stop solution.
- Integrates many phases of travel in one place.
- User security is highest priority.

Roadmap:

1. Patent filing and approval.
2. Stakeholder's interview 09/29
3. Hiring 10/20
4. App development 11/01
5. Quality testing and assurance 11/15
6. App launch 12/01

- 6 months: Application would be successfully launched. Setup initial operations, test technology, test interface, launch app on play store and Appstore
- 1 year: We would have achieved 50K users from all around the world. Develop trust, gather feedback, offer updates and bug fixes, add more features, reach 1 mill customers
- 3 years: We would have gained $2 B profits from our business. Improve app, add most of the features listed, offer updates and bug fixes, collaborations, reach 20 mil customers
- 5 years: We must have achieved customers satisfaction and our application will become a brand which will be used by peoples from all over the world- Develop loyal customer base, add more features, app revisions, interface revisions, collabs, purchase assets, IPOs and stocks

How will the app make money?

- Our app is categorized under software as a service SaaS
- Is a freemium app- gated features
- Will offer subscriptions for premium services

Target Customers: All passengers who use airlines to travel for business, recreational, educational purposes.

  And will offer a subscription to all its premium features for $9.99/month and $70/year.

  For example, 1% subscribe to AirNav's premium features,

= 1% of 811 million passengers (Domestic Passengers) is 8.1 million passengers approximately

= Therefore, for 8.1 million, total revenue would be 8.1 million * $70 = $5.67 Million

To create awareness among prospective customers, a large amount of money must be invested in the early years. As a consequence, marketing was given more than 20% of the revenue development projection for the first two years, then reduced to around 12% for years three, four, and five (average enterprises with sales less than $100 million spend on marketing).

Employee wages in marketing and customer service are included in the marketing fixed cost. A few marketing tactics will be set, including social media marketing, blogging, websites, and email marketing. Switching to new influencers for marketing, as well as guerilla marketing expenses dependent on social media tactics and tiers, will be variable costs.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
OPERATING EXPENSES	3,60,000	4,68,000	6,08,400	7,90,920	10,28,196
EMPLOYEE'S FINANCE	2	4	6	8	10
FINANCIAL MODELLING	260000	510000	750000	1350000	1836000
EMPLOYEES TECH	3	6	8	13	17
TECHNOLOGY DEVELOPMENT	180000	520000	660000	1080000	1370000
EMPLOYEES (MARKETING + CUSTOMER SUPPORT	5	9	14	20	27

MARKETING	500000	550000	605000	665500	732100
CUSTOMER SUPPORT	2	5	6	9	14
TOTAL OPERATING EXPENSES	482000	1980000	4170000	8490000	15200000
USER TARGET	10000	100000	500000	1000000	200000
INCOME THROUGH SUBSCRIPTION MONEY	480000	4800000	2400000 0	4800000 0	96000000

According to the calculations above, the total expected cash for marketing for the first year for three workers is about $500,000. The three people will be paid a total of $120,000 each year, or around $40,000 per employee (typical starting wage for marketing employees). As a consequence, the fixed monthly cost will be roughly 8000 dollars (employee salary). The monthly variable cost will be between $1,000 and $1,300, with an annual cost of roughly $18,000. Because the marketing budget is dependent on a number of indicators, the majority of which are driven by pre-sell success measurements, the figures for variable expenditures are subject to change and indicate a preliminary estimate.

9. Team - Describe your founders, management, Board of Directors/Board of Advisors. 5 pts.

Our Team:

CEO: Mr. Manan Gor Founder CEO
– BE (Mechanical)
- MS (Management of Tech)

CTO: Niloy Mukherjee Co-Founder CTO
-BE (Mechanical)
-MS (Management of Tech)

COO: Ms. Shreeya Jain Marketing and Sales
– BE (Production)
- MS (Management of Tech)

10. Financials - Give the applicable financials that relate to the deal: income projection, budget, balance sheet, the ask. 10 pts.

Our proposal -

We are asking for an investment of $1 million for a 15% stake in our company.

We also encourage professionals from different backgrounds to work with us under the Equity for Compensation model.

Assumptions

Income Statement Assumptions									
Revenues	Year 1	Year 2	Year 3	Year 4	Year 5				
Premium Membership	1,200	1,560	2,028	2,636	3,427				
Average Sale per Customer	$300	$300	$300	$300	$300				
Revenues	$3,60,000	$4,68,000	$6,08,400	$7,90,920	$10,28,196		$32,55,516		0.6666667
Sales growth		30%	30%	30%	30%		21,70,344		
Variable Expenses									
Cost of Sales %	67%	67%	67%	67%	67%				
Sales commission %	0%	0%	0%	0%	0%				
Other Variable Expense	0%	0%	0%	0%	0%				
Total Variable Cost %	67%	67%	67%	67%	67%				
Fixed Expenses									
Salaries	93,600	93,600	93,600	1,24,800	1,24,800				
Server Fees	2,750	2,750	2,750	2,750	2,750				
Marketing	5,000	5,500	6,050	6,655	7,321				
R&D	10,800	14,040	18,252	23,728	30,846				
Other Fixed Expense									
Total Fixed Costs (excl. Depreciation)	$1,12,150	$1,15,890	$1,20,652	$1,57,933	$1,65,716				
					Year 1	Year 2	Year 3	Year 4	Year 5
Tax Rate	21%			Capital Expenditures	4,720	-	-	-	-
				Depreciated over	5	1	1	1	1
				Depreciation expense	744	1,688	944	0	0

Income statement

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	3,60,000	4,68,000	6,08,400	7,90,920	10,28,196
Cost of premium Membership	2,40,000	3,12,000	4,05,600	5,27,280	6,85,464
Gross Profit	1,20,000	1,56,000	2,02,800	2,63,640	3,42,732
Salaries	93,600	93,600	93,600	1,24,800	1,24,800
Sales commissions	0	0	0	0	0
Other Variable Expense	0	0	0	0	0
R&D	10,800	14,040	18,252	23,728	30,846
Server Fees	2,750	2,750	2,750	2,750	2,750
Marketing	5,000	5,500	6,050	6,655	7,321
Other Fixed Expense	0	0	0	0	0
Depreciation	744	1,688	944	0	0
EBIT	7,106	38,422	81,204	1,05,707	1,77,016
Interest Expense	7,700	9,100	10,500	11,900	13,300
Earning before Taxes	-594	29,322	70,704	93,807	1,63,716
Taxes	0	6,158	14,848	19,700	34,380
Net Income	-594	23,164	55,856	74,108	1,29,335

Cash flow

	Year					
	0	1	2	3	4	5
Cash Flow						
Net Income		(594)	23,164	55,856	74,108	1,29,335
Depreciation		744	1,688	944	-	-
Change in Software		(29,032)	(9,433)	(11,540)	(15,002)	(19,502)
Change in Features	-200	(19,155)	(6,289)	(7,693)	(10,001)	(13,001)
Change in GPS	-2770	-	-	-	-	-
Change in Other Current	0	-	-	-	-	-
Change in A/P		19,355	6,289	7,693	10,001	13,001
Change in Accruals		-	-	-	-	-
Cash from Operations	(2,970)	(28,682)	15,419	45,260	59,106	1,09,833
Capital Expenditures	3,720	4,720	-	-	-	-
Cash flow after Investing	(6,690)	(33,402)	15,419	45,260	59,106	1,09,833
Change in Bank Loan		-	-	-	-	-
Change in Other Debt		20,000	20,000	20,000	20,000	20,000
Change in Long Term Debt		-	-	-	-	-
Changes in PS		-	-	-	-	-
Changes in CS		-	-	-	-	-
Cash Flow after Financing		(13,402)	35,419	65,260	79,106	1,29,833
Beginning Cash Reserve		93,310	79,908	1,15,327	1,80,587	2,59,693
Ending Cash Reserves	93,310	79,908	1,15,327	1,80,587	2,59,693	3,89,526

Cumulative Cash Flow
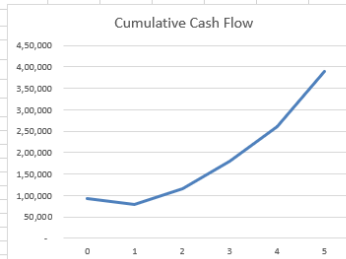
Balance sheet

Balance Sheet	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Cash (operating)	-	-	-	-	-	-
Cash (reserves)	93,310	79,908	1,15,327	1,80,587	2,59,693	3,89,526
Accounts Receivable	-	29,032	38,466	50,005	65,007	84,509
Software	200	19,355	25,644	33,337	43,338	56,340
GPS setup Expenses	2,770	2,770	2,770	2,770	2,770	2,770
Other Current Asset	-	-	-	-	-	-
Total Current Assets	96,280	1,31,065	1,82,206	2,66,700	3,70,808	5,33,145
Long Term Asset						
Gross PP&E	3,720	8,440	8,440	8,440	8,440	8,440
Accumulated Depreciation	-	(744)	(2,432)	(3,376)	(3,376)	(3,376)
Net PP&E	3,720	7,696	6,008	5,064	5,064	5,064
Total Assets	1,00,000	1,38,761	1,88,214	2,71,764	3,75,872	5,38,209
Accounts Payable	-	19,355	25,644	33,337	43,338	56,340
Accrued Wages and commissions payable	-	-	-	-	-	-
Total Current Liabilities	-	19,355	25,644	33,337	43,338	56,340
Bank Loan	-	-	-	-	-	-
Other Debt	1,00,000	1,20,000	1,40,000	1,60,000	1,80,000	2,00,000
Long Term Debt	-	-	-	-	-	-
Total Liabilities	1,00,000	1,39,355	1,65,644	1,93,337	2,23,338	2,56,340
Preferred Stock	-	-	-	-	-	-
Common Equity	-	-	-	-	-	-
Retained Earnings		(594)	22,570	78,427	1,52,534	2,81,870
Total Liabilities and Equity	1,00,000	1,38,761	1,88,214	2,71,764	3,75,872	5,38,209