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ICS 139W – Business Plan

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NeWare Energy™

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1.0/1.1 Executive Summary - Background and Objectives

NeWare Energy is an American Corporation LLC, that is going to make a flagship product that will be a show stopper in the phone accessory market. The Solar Pack will create a sleek and minimalistic phone case that uses photovoltaic glass to power the phone in sunlight, adding only millimeters to the overall unit.

1.2 Product, Mission, and Goals

NeWare Energy plans to dominate in the market via a predatory marketing strategy, fitted to maximize profits with a quick release of Solar Pack 2.0. Once saturated in the market, NeWare Energy will diversify into phone app software, with anti-obesity advertising campaigns to kick-start it. It will impact all demographics, with maximum conversion rates of the market to our product. The market is primed and ready for NeWare Energy to revolutionize the way the world uses a mobile phone, converting our large profits into large advancements... For science!

2.0 Company Summary and Management

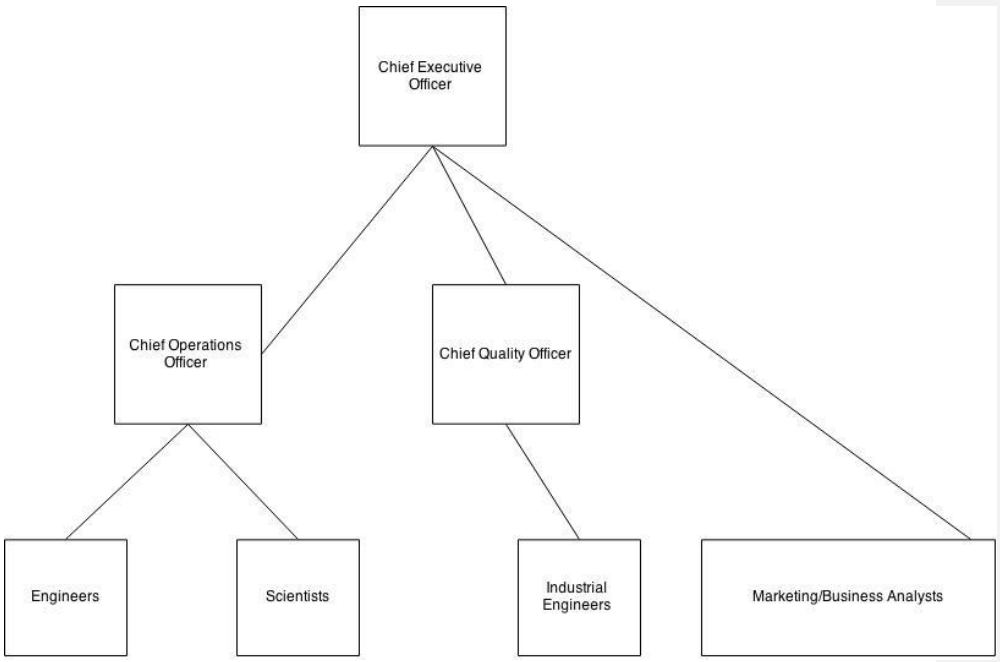
This company exists to union energy conservation technology with consumer electronic market, in creating an accessory product that will help mobile phones sustain battery life via sunlight. According to a 2014 study conducted by Pew Research Center 90% of adult Americans own a cell phone (Jan 2014, Pew Research Center Internet Survey Project). As an American incorporated company, it is evident there is a surplus of potential for the average American consumer to desire the NeWare Energy product. The average on-the-go lifestyle of the typical American creates a viable host for NeWare Energy's solar-power phone case to thrive. It can be the solution to the everyday panic of the low battery alert, subliminally controlling its subjects to drop current activities to find an outlet and a charger.

2.1 Company Structure

This company will revolutionize the mobile phone market via a clustered flat business structure. NeWare Energy has a bottom line composed of scientists and

engineers (changes and redesign calls will be frequent), and an efficient channel of communication will need to be easily utilizable. A flat business hierarchy yields easy communication with little bureaucracy, maximizing the quality of the product as it goes through development life cycles.

One cluster will be the development team (with engineers/scientists) with a team of supervisors that will report to the Chief Operations Officer (COO). A second cluster will make up the quality assurance team (industrial engineers) followed by a Chief Quality Officer (CQO). Finally a marketing cluster consisting of only a bottom line of marketing and business analysts, will be directly overseen by the CEO of the company.



2.2 Operations Overview

The development team will co-design specifications with the quality assurance team, to fit our product to particular phone models. The phone models that the

engineers will be designing for will be chosen by the marketing team, with intentions to maximize profit. Part of the development team will be working on version control for pre-existing products, so that product delivery will always be constant, unless the Chief Officers concurrently decide that one product version should go obsolete.

3.0 Product

The NeWare Energy solar pack version 1.0 will triumph in the accessory marketplace with its minimalistic industrial design, adding only millimeters to the overall unit. It will come with various colors, translucent pattern, and for an extra fee engraving can be done on the cases. The NeWare Energy solar pack will appeal to those who find stock design aesthetically pleasing, and those who enhance consumer electronics by personalizing them.

The charm of the product lies in its convenience. When in a pinch all one has to do is walk into the sun, and watch as the battery starts to charge. In emergency situations it could be potentially life saving. Most smartphones designed rarely have emergency response in mind, as the battery life never exceeds more than an average work day. Rarely is there an outlet nearby equipped with the right charger and charging port (since Original Equipment Manufacturers rarely use non proprietary equipment), and the solar pack can move the difference in an emergency situation. For those who enjoy photography and exploring the great outdoors, the extra battery can be critically convenient in capturing that last sunset shot to capstone the adventures that day.

Upon sufficient saturation of the market, there will be an app available to download after purchase of the solar pack that will be able to track amount of time spent outdoors in the sun as the basic functionality. It will also add a fun twist, and will act as a game that awards points for taking good pictures of scenery outdoors. It will have in-app links to post these pictures easily to social media sites, and will have in-app unlockables the more you accumulate points. For our younger audiences, this app in tandem with the solar pack will bring fun and technology to the great outdoors!

4.0/4.1 Market Analysis - Industry Performance

Commented [SL1]: Marketing strategy – Predatory Marketing strategy. Flood the market with phone accessory PV tech, and winning because competitors are busy trying to fight "quote about strict design specs of the OEMs" while my company will have accessories that have magnitudes to shift future business relations in my favor.

Competitor- battery charging cases, solar charging cases. Mine will uphold a sleek minimalist design adding only a few millimeters to overall unit. Easily manufacturable for different OEMs.

Structure, a Flat structure is better, providing an easy channel for communications. It will be a science centered incorporated company (for liability purposes).

The Solar Pack falls under the portable power sector of the market. According to research done by Pike Research referenced in an article by Navigant, it was projected that "the portable power sector will continue expanding at a healthy rate over the next few years, rising from $20.3 billion in global revenues in 2010 to $30.5 billion by 2015" (Pike Research, June 2011). Clearly it is evident that there is a huge amount of profit being generated in a global economy, and just looking at the difference in revenues in the given interval, the annual growth rate is roughly 8%. Also suggested by Pike Research, the "largest market growth will continue to be in batteries for laptop computers and mobile phones, driven largely by ongoing increases in unit shipments"(Pike Research, June 2011). This subset of the portable power sector is the most compelling to enter in the industry due to its high yields of growth. If the market is entered correctly, profit should be maximized at an optimal rate.

Commented [SL2]: SunPartner is over diversified too early, and will remain ultimately stagnant in terms of business prosper.

4.2 Competitor Performance

The biggest competitor for NeWare Energy would be SunPartner Technologies, and their flagship product Wysips®(What you see is photovoltaic surface). Here they take their photovoltaic glass and integrate into a device of your choice and size during manufacturing of the device. An auxiliary chip must be placed in the device to oversee the charging process. It is capable of light fidelity data transmission, where the photovoltaic glass acts as a sensor to decode light transmissions sent to its surface.

The company had raised over 10 million in funding in the three years of fundraising, and had a partnership with manufacturer 3M, where they released a smartphone that did succeed in the market. While it seems the company overall isn't a "blue chip" company, it is a privately owned corporation, and does not have its metrics on the IPO (Initial Public Offering).

4.3 SWOT (Strength, Weaknesses, Opportunity, Threat) Analysis

To see the strength that NeWare Energy posses, the threat of its opposition must be contrasted. The worst case scenario is that SunPartner will dominate influence over the manufacturing of consumer electronics, leaving a case accessory

that provides photovoltaic power redundant. However, according to journalist,Caleb Garling "OEMs still have strict requirements about the materials used as screens, especially with respect to touch, thickness and transparency"(Garling, Aug 2014). It is obvious that blue chip smartphone companies have strict regulations on the industrial design and optimized cost reduction. Companies that try to inject additional hardware into the manufacturing stage often cannot conform to the price per unit costs, and the quality of user experience achieved by the OEMs.

NeWare Energy Solar Pack thrives where SunPartner lacks, because Solar Pack is manufactured independently and acts a module to all major phone manufacturers. Another strength of the Solar Pack , is the fact that it remains functional as it is charging via solar. Industry expert Alex Jimenez summarizes major critique of consumers: "Though solar power seems massively convenient, some consumers do complain about the phone's limited capabilities when charging the phone – i.e. the phone should not be charged while the solar panel is attached"(Jimenez, Nov 2013). Most traditional solar panel charging cases, have surface area constraints, and the back of the phone must be a solar panel. When in need of a charge outdoors, consumers must turn the phone upside down, rendering it useless while it charges. The Solar Pack uses the screen itself in lieu of panels on the back of the phone case.

As the industry evolves, NeWare Energy will have the capital to adapt to a changing marketplace. This will create good opportunity for market diversification, and NeWare Energy will be able to transform the dimensionality of consumer electronics.

5.0 Sales and Marketing Strategy

NeWare Energy will flood the phone accessory market via means of predatory marketing strategy. Upon release to all major electronic retail outlets, we will set the price of the product to be cheaper than the most popular high quality phone charging case. This will almost certainly incur negative profits, or maybe an even break in the profit margin. However, it will establish a dominant position in the market, and will create a convenient time to release a second version of the product with various enhancement and a profit-generous pricing to make up for loss of profits.

After being saturated in the market, the sales/marketing team along with the development team will create an anti-obesity campaign targeted at parents of children with smartphones. This campaign will create a surplus of positive publicity, and will be achievable through a smartphone app readily available to download and use with the Solar Pack 2.0. To encourage pre existing customers to upgrade, the app will have software constraints that will not work with Solar Pack 1.0 and will inform the customer they should upgrade. This will increase sales, and defray profit loss from predatory marketing.

6.0 Financial Plan

Due to typically high salary costs that engineers, and market analysts have in industry, the initial investment will need to cover the white collar salaries for approximately three years. Prototype manufacturing will need to be done "in house" by purchasing a local machining of the prototype, along with material sciences to be performed on the actually glass component, which together will also add significantly to start-up costs. A gross estimate to get initial staff and prototyping would be approximately three-hundred thousand dollars, with additional funds for an actual shipment of product totaling up to one million dollars. This funding will be able to adequately pay skilled engineers/scientists and marketing faculty to push our product into the market en masse.

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