Finance Proposal

Group 3

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Contents

Revision History

Revision	Date	Author(s)	Description
0.1.0	15.02.22	PG850	Doc created
0.1.1	18.02.22	PG850	Add Costs and Sales sections
0.1.2	23.02.22	PG850	Update Marketing section with competitors
0.1.3	24.02.22	KYC527	Update Sales section
0.1.4	02.03.22	KYC527	Add project description to Introduction, add budget to loan
0.2.0	02.03.22	DM1306	Editorialise

1 Introduction

This document shall outline the financial prospects and requirements of our company's project. Accompanying this document is a spreadsheet which details the company's finances on a weekly basis over the course of development, including all expected, and actual, costs and revenues.

Our Product

We are developing an highly-interactive multimedia presentation application, which offers users a platform where they can not only create innovative, eye-catching interactive presentations with our embedded scripting engine, but where it is *simple* for a presenter to synchronise their audience's view of a presentation with the presenter's own - regardless of whether they're 5 feet or 5,000 miles apart.

2 Revenue

2.1 Product Subscriptions

We plan to provide our product as a paid subscription for Institutional and Corporate users, providing a recurring revenue stream for our company and removing need for an high initial high expenditure from the customer which occurs in a traditional purchase model, and can often be off-putting for such a customer. This subscription will include the product and base features and it is priced so as to be independently profitable, although we expect many of these customers to *also* subscribe to our higher-margin added-value offerings which provide things such as extra assets, features, and templates, or the ability to present over the internet - we predict that these extra options will drive a significant proportion of our revenue.

The option to present via the internet will provide users with the ability to seamlessly deliver a presentation to an audience which is either remote or is local but connected through a typical Corporate network, both of which would prevent direct device-to-device connections. The pricing of this feature reflects the number of users that are able to concurrently 'connect' with a Presenter, with larger numbers naturally attracting an higher price; the price increase for the larger option over the smaller is effectively all margin, on top of the already profitable smaller option; the expected increase in bandwidth is almost negligible for our application.
As a small company, we will initially look to use a scalable product from a Cloud provider, such as Amazon Web Services' EC2, to avoid the large capital expense of purchasing server equipment and minimise our expenditure in this area.

We intend to provide the base product at no cost to private individuals. This is seen as necessary to gain an initial user-base, who we expect to help our company introduce our product to their Institutions or Corporation more effectively than a traditional advert alone.
It is also worth noting that Institutions are far more likely, as a rule, to respect the law in this area than individuals, who are more likely to "pirate" the product than to pay -

as such we do not see that this zero-cost option will have a significant negative impact on our potential revenue.

2.2 Contracts

During the development phase we are selling parts of our code-base as modules to Group 2. The modules we are to develop are for the display and handling of formatted Text, and for the generation and display of Shapes and other such graphics.
For this work we are charging £3,000 per module, which has been calculated to provide an adequate profit, and will be paid on the following schedule:

1. 25% on acceptance of the contract.
2. 50% on module delivery.
3. 25% on module acceptance.

2.3 Loans

The development of our product will be funded in its' majority through a loan of £70,000, which is to be repaid with interest accruing at 16.86% per week, and will be paid back to the issuer at the soonest possible occasion, based on the profit generated by product sales and contracts. This is detailed in Section 3.
Based on our estimation of our total costs, we expect this amount to pay for the entire development, plus interest and a small "buffer". We expect to recieve our loan in two installments: the first paying $\frac{2}{3}$ of the principal upon the acceptance of our proposal, and the second paying the remaining $\frac{1}{3}$ at the beginning of the Summer term.

3 Costs

This section details our company's expected costs during the development cycle, including labour, location and utilities, interest, and obtaining IP from other companies.

Development costs are directly related to the product's development, and include rent for the office space the company is using, utilities and internet services, for the labour of its employees involved in development, and for any contract work that is bought from other companies. Included in this section is the interest accrued on the loans from the Finance Manager, as the loan is required by the company to fund the project - there is no source of revenue big enough to cover the costs of development outside of the loan.
Item, Cost and Times to be Paid

- **Labour Pay:** Pay for our employees, billed at £12.50 per hour, paid the week after it is accrued.
- **Office Rent:** Rent for the office space used by the company, billed at £23.50 per square foot (1,400 square feet, for £24,675.02 total) per annum, with payments made on week 4, 7 and 10 of each term.
- **IT Infrastructure:** Payment for the IT services in use by the company, billed at £100 per week, payable on weeks 6 and 10 of each term.
- **Utilities:** Payment for utilities in the office, billed at £50 per week, payable at week 6 and 10 of each term.
- **Interest on Loans:** 16.86% interest on all loans, to be paid weekly, or as a lump sum in cash.
- **External Development Work:** Two code modules purchased from other companies, at a cost of £3,000 per module paid on the below schedule.

3.0.1 External Development Work

We are to purchase two code modules from Group 2 - one which shall provide handling and display of Audio, and one which shall provide the handling and display of static images.
For this work we are paying £3,000 per module, to be paid on the following schedule:

1. 25% on acceptance of the contract.
2. 50% on module delivery.
3. 25% on module acceptance.

4 Sales

4.1 Licences and Packages

Each types of subscriptions available to users will have different capabilities, which are outlined below. The subscriptions are all planned to be paid monthly.

- **Base Software Licence:** This generic base licence includes the presentation development software, for users to create presentations from the cards, and connect with any other user on their local network.
  - **Individual Licence:** Base licence permitting Individual use.
  - **Business Licence:** Base licence permitting use in a Commercial setting.
  - **Educational Licence:** Base licence permitting in an Educational setting.
- **Pro:** This package extends the Base software with extra Assets and Functionality for the user to create with.
- **Online:** This package adds the ability to present with a limited number of viewers connected through the Internet.
- **Online Plus:** This package expands the number of users able to connect to a presentation simultaneuosly.

4.2 Cost Guidelines

Outlined here are the subscriptions we will be providing for the product, alongside their costs, their prospective sales and their price.

Service	**Predicted Monthly Subscriptions**	**Price**
Individual	200	£0.00
Business	200	£10.00
Education	300	£5.00
Pro	100	£10.00
Online	200	£5.00
Online Plus	100	£10.00

5 Marketing

The product will be marketed as a new way to present - with greater interactivity and freedom to present remotely designed from the start - only requiring one of the "three billion devices [that] 'run' Java" and a network connection.

5.1 Target Market Segment

We are targeting a broad segment of the market, to permit us to maximise our profitability. We are targetting buisinesses in their meetings, conferences, and seminars, and education institutions, where lessons, lectures, and seminars benefit from highly interactive presentations of information.
We see that the market requires a general solution - and it is these that have historically been successful - rather than a specialty solution targetting a very narrow market segment.

5.2 Competitors

The main competitors to the product are Google Slides (paired with Google Meet to present remotely), and LiveCode.

Google Slides

Google Slides can be used to create standard multimedia presentations. Through Google Meet, these slides can be streamed to users as a video, sharing presentations with a large number of users concurrently. Although perhaps similar to our product on the surface, it does not allow viewers to move through the presentation separately to the presenter, nor are they able to add notes directly to the presentation "as they go". As well as this, it is streamed as a video, using significant bandwidth and machine resources - which our product will not require.

LiveCode

LiveCode is a low-code graphical development environment with a basic scripting language. It allows for developers to create applications and interfaces simply and easily with scripts tied to visual objects, and takes several design cues from Apple's HyperCard - like our card system. However, it is much less general than our product (or HyperCard, from which it is descended), meaning LiveCode is not a direct competitor.

PowerPoint

Microsoft PowerPoint is an obvious competitor to our product and it would be remiss of me to fail to mention this. But - it lacks the simple scripting functionality of SuperPres, with Macros being a somewhat poor (and complex) alternative. PowerPoint, of course, also lacks the remote functionality of our product; Microsoft products are also, historically, agressively single-platform first, whereas our product is designed from the ground-up to be able to run anywhere - through careful design, testing over multiple platforms (including Windows, macOS, and Linux on both PowerPC and X86_64), and leveraging the power of the JVM.