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| [Street Address] [City, ST ZIP Code] |  | p. [Telephone]  f. [Fax] |  | [Email]  [Web address] |

Business Plan for Project TARA

**An Innovation Made In Goa by CM MultiTrade**

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# Executive Summary

## Objectives

Publish public transit stops, routes, trips, and timings to Google Transit service.

1. Cover all transit agencies in Goa in year 2016-17.
2. Cover major transit agencies in Maharashtra and Karnataka in year 2017-18.
3. Provide a Pan-India service for road, rail and water based fleets in year 2018-19.
4. Become a key player in the country’s Digital India Mission.

## Mission Statement

***Make it convenient for every citizen to use Public Transport, thereby saving fuel and protecting the environment.***

## Keys to Success

Support from Govt of Goa in playing the role of an enabler in on-boarding data from fleets operating in Goa.

# Company

CM Multitrade is an ….

# Products and Services

* The project Transit Agency Route Administrator (TARA) is offered as an online application that allows the transit agency to visually define the details of their fleet such as stops, routes, trips and timings.
* The tool allows the fleet details to be managed on a Google Map using a very intuitive User Interface that greatly simplifies the entire process of uploading the data to Google.
* The service is multi-tenant and hence allows employees of multiple fleets to simultaneously work on the same product.

# Market Analysis

* Only 25 public transit agencies in India, mostly from metros are on Google Transit.
* Only 2600 transit agencies in the world are on Google Transit.
* There is tremendous potential for TARA to be the most preferred service for transit agencies across India.

# Operations

## Workforce

* Employees will be assigned to transit agencies as Relationship Managers. Each Relationship Manager will help the agency in the data entry operations and resolve their queries.
* Features requested by transit agencies will be added to a Product Backlog list which will be worked upon by developers.
* As a strategic decision to generate local employment, it is our policy to hire Goans for the development and management of the service.

# Strategy

## Sales

* Due to the presently prevalent practice of managing the fleet manually, most of the bus timings in fleets across the country are not digitized. This makes the digitization process a bit time-consuming. Hence it is our strategy to approach only 3 fleets per year for the first 2 years of operation.
* With the revenue generated revenue in the first 2 years, more sales representatives will be hired and assigned as Fleet Relationship Managers for fleets in different parts of the country.
* Transit Agencies across the country will be contacted through the Bus Transport Operators Association, which is a consortium of Govt transit agencies in India.

## Competition

* A company in Europe offers similar service at an annual rate of 12 Lakhs.
* We are not aware of any other prominent company that provides an equivalent service in India.
* The TARA application provides a much more simplified user interface for data entry that the competing applcaition.

# Financial Plan

## Pricing Model

* The subscription to the TARA service is based on an annual fee which depends on the approximate number of routes operated by the agency.
* An agency operating 250 routes will be charged a maximum fee of **Rs. 5 Lakhs for the first year**.
* The subscription includes the following:

1. Managing communication with Google for on-boarding the data
2. Training the staff of the transit agency
3. Automated data entry from existing digital sources held by the agency
4. Dedicated Relationship Manager to resolve queries of the agency

* The price may be reduced in case some of the above options are not required by the agency. The minimum fee would be **Rs. 1 lakh** for an agency with 250 routes.
* The annual fee for subsequent years would be half the fee of the first year provided there is no significant increase in the number of routes.

## Benefit for a transit agency

The following illustration shows the projected financial benefit for a single fleet:

|  |  |
| --- | --- |
| **Fleet Name** | KTCL |
| **Number of routes** | 250 |
| **Daily commuters** | 60000 |
| **Estimated increase** | 10% |
| **Average revenue from 1 commuters** | 15 |
| **Increase in revenue per day** | 90000 |
| **Annual increase in revenue** | 3,28,50,000.00 |

It is clear that the estimated increase in revenue recovers the cost of subscription multi-fold.

## Annual projections

The following illustration shows the projections for the next two fiscal years. The service will continue to be offered in the following years and is likely to see an exponential rise in popularity across transit agencies in the country.

|  |  |  |
| --- | --- | --- |
|  | **2016-17** | **2017-18** |
| **Estimates** | | |
| **Number of new fleets** | 3 | 3 |
| **Number of existing fleets** | 0 | 3 |
| **Number of employees** | 2 | 4 |
| **Pricing for 250 routes** | 500000 | 500000 |
| **Average size of new fleets** | 750 | 2000 |
| **Earnings** | | |
| **Income from subscription of new fleets** | 1500000 | 4000000 |
| **Income from subscription of existing fleets** | 0 | 750000 |
| **Income from Value added services** | 300000 | 300000 |
| **Total Earnings Before Tax** | 1800000 | 5050000 |
| **Costs** | | |
| **Annual office rent** | 180000 | 180000 |
| **Salaries** | 360000 | 720000 |
| **Server cost** | 80000 | 160000 |
| **Sales cost** | 100000 | 100000 |
| **Total cost** | 720000 | 1160000 |
| **Profit** | | |
| **Annual profit before tax** | 1080000 | 3890000 |

The above illustration assumes a best-case scenario. The project would be profitable even if the actual revenue generation is half the projected estimate.