Our Proposal and Financial Prospects

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	10.03.22	DM1306	Editorialise
0.2.1	14.03.22	KYC527	Update Loans, spell checked
0.2.2	05.05.22	KYC527	Update Loans and Contract
0.3.0	12.05.22	KYC527	Update Sale and Market - revised scope
0.4.0	08.6.22	PG850	Rewrote Document, Action Supervisors Comments in Meeting, add Marketing and Ongoing Costs Sections
0.4.1	08.6.22	KYC527	Add url link to redirect to relevant document
0.4.2	08.6.22	DM1306	Final Check

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. An estimated calculation to the overhead recovery is also included in a separate tab in the file.

This spreadsheet can be obtained via this url link: `https://super-cow-powers.github.io/Sw-Eng-HTML/static/Financial%20Business%20Plan.xlsx`

Google Sheet version can also be found via this url link: `https://docs.google.com/spreadsheets/d/1FbgJwt1FENgtcF96zkn8ux6CJKkyjRKuCU0qWsLUYB8/edit?usp=sharing`

Our Product

SuperPres is a Multimedia Application Development Environment, complete with choice of multiple application languages. Our initial aim is to create a tool to help reinvent the teaching of Computing in schools. We provide an intuitive, integrated, and consistent platform to build graphical applications for lessons and projects, whilst providing students with useful and transferable experience with widely used languages - unlike with existing solutions.

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 higher-margin extended feature subscriptions may be launched when the company has become established.

The subscription is priced at £9.99 per month per license, meaning a yearly revenue of £119.98 per license.

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 minimize our expenditure in this area. This solution, for our requirements, will cost just £0.01 per licensed seat per month, according to the AWS Pricing Calculator for On-Demand pricing.

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

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.

- **Loans Repayment:** Repaying loan over 3 years with 16.86% APR interest on top of the current amount owned, 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.

3.1 Ongoing Costs

To continue with development, labour pay and IT infrastructure will continue accruing, and will need to be considered. This will add an £100 per week/£5200 per year cost in addition to a £12.50 per hour worked for each member of the group. The ongoing costs of development have been further explained in the financial business plan spreadsheet.

4 Marketing

As outlined in the marketing plan document, we will continue to market SuperPres as a teaching tool and development environment. This marketing will require financial backing, in order to allow for purchasing of advertisements and traveling to trade shows. This is further explained in the marketing plan, and the finance requirements of this will be covered by future sales of the product.

The Marketing Plan can be obtained via this url link: `https://super-cow-powers.github.io/Sw-Eng-HTML/static/future_marketing.pdf`