

BUSINESS PLAN



Crowdfunding site



2014

Adaptation of this business plan is possible for similar project around the world.

Business Plan Description

Project idea. The proposed site will be involved in the field of crowdfunding. The crowdfunding is fundraising in the form of small contributions from a large number of people for implementation of some project or idea. But crowdfunding is just one part of the concept. The project also will be implemented in such directions as traveling together to help people in need and building community with likeminded people.

Business Model. About 5% of raising money will be deducted for organizers of fundraising. But it's free to sign up, to ask for help, and to contribute to help.

Market Analysis. There are four types of segments in crowdfunding market. They are: charity, bonus, equity and debt. Proposed project will belong to charity model. It is important to notice that such type of crowdfunding collects the largest sums of money: 27% of sites are working on charity base and collect 49% of all funds.

There are more than 1 500 crowdfunding platforms in the world. The most of them – 82% – is based in North America, another 10% – in Europe and the rest – in other regions.

The average size of donation is about \$75. The total volume of all segments of crowdfunding market is more than \$5 bln. with the growth rate of 89% in 2013.

Competitive Environment. The most serious competitors are following:

Competitor	Number of projects	Sum of fundraising	Compete Rank / US Alexa Rank
GoFundMe	300 thsd. projects	About \$450 mln.	428 / 344
Kickstarter	70 thsd. creative projects	\$1 bln.	871 / 358
Indiegogo	140 thsd. projects	\$100 mln.	973 / 799
Teespring	2,048,007 products delivered	–	1,086 / 628

Other popular crowdfunding sites are characterized by such investment:

Competitor	Investment
Teespring	\$21.9 mln.
YouCaring	\$50 thsd.
Causes	\$16.4 mln.
GiveForward	\$2.5 mln.
Patreon	\$17.1 mln.
Fundly	\$7.8 mln.

Marketing Plan. Such marketing tools as advertising in YouTube, Social Media Marketing, Social Media Optimization, Search Engine Optimization and writing of articles for blogs will be used. The budget for marketing will be about \$10 800 per month.

Organizational Plan. It is planned to involve 5 employees except CEO: financial director, web-programmer, web-designer, social media marketer, specialist in users relations. The payroll expenses will amount 13 000 per month.

Financial Plan. Indicators of project economic efficiency look as follows:

Financial Indicators	Units	Value
Revenue for 3 Years of Project Implementation	USD	2 985 000
Necessary Investment	USD	164 650
Net Income for 3 Years of Project Implementation	USD	2 068 500
NPV	USD	1 544 486
IRR monthly	%	13%
IRR annual	%	319,10%
Payback Period	months	16
Discounted Payback Period	months	16

Excerpts from Research

The proposed site will have the following particularities:

- Gathering money for people in need. It will contain pictures and the pages of all the people who have participated and helped will come up on the top).
- Video response from the people who have received the help and their gratitude to everyone who have helped up on the page.
- Everyone has his profile with his mission and vision he has for his life and how he wants to help the world.
- Building of community of likeminded people.
- Place for some positive news, inspiration, coming together and helping each other.

The «successful» money in such field of business means that the projects have reached their funding goals. The part of charity segment of crowdfunding market is one of the leaders by the percentage of «successful» money: it amounts about **% and is second only to debt segment (**%).

But on the other hand, the growth rate of equity and bonus crowdfunding have increased by **%, debt crowdfunding – by **% and charity crowdfunding – by **%.

The **competitive advantages** of proposed site are the following:

- it will coverage the users from all the world. It means that people from any country could initiate the fundraising for solving their problems as well as make donations for people in need;
- it will combine fundraising both for solving personal problems (for example to collect money for treatment) and with commercial aims (to create a start-up);
- greater number of allowed fields in which financing will be started.
- the lower fee in comparison with competitors.

Crowdfunding sites in general are popular among Internet users and that's why they have high positions in Compete Rank and Alexa Rank. So it is particularly necessary to carry out **SEO** to increase the number of visitors gradually since the initial stage of project implementation and to become comparable in this way with main players in the market.

The most successful projects are those which have managed to touch people's feelings. That's why the **social media marketing** will be especially pertinent. This circumstance commits to create own groups in social networks and make post in thematic publics. The Internet-statistics show that the most of users visit the crowdfunding platforms immediately after the visiting of such sites as facebook.com and twitter.com. Because of it the particular attention must be given to the social networks with the same name.

The one's more recommend marketing tool is an **advertising on YouTube**. It is explained by such fact that video ads in You Tube will be available on the computer as well as on the tablet and smartphone, the advertising is super accurate targeted and aimed for thinking audience(55% – from 35 to 65 years, 42% – up to 35 years).

Contant

Confidentiality Agreement	2
Contant	3
List of Diagrams, Tables and Charts	4
Executive Summary	6
1.0. Project Description	8
1.1. Site Functional	8
1.2. Site Particularities	8
1.3. Project Business Model	8
1.4. Advantages for People in Need	8
2.0. Marketing Analysis	9
2.1. Types of Market Segments	9
2.2. Geographical Structure of Market	10
2.3. Market Volume	11
3.0. Competitive Environmental	12
4.0. Marketing Plan	21
5.0. Organizational Plan	25
6.0. Financial Plan	26
6.1. General Assumption	26
6.2. Payroll Expenses	26
6.3. Capital Expenditure	26
6.4. Plan of Sales	26
6.5. Revenue	27
6.6. Variable Costs	27
6.7. Fixed Costs	27
6.8. Profit and Loss Statement	27
6.9. Cash Flow Statement	29
6.10. Financial Indicators	29
7.0. Sensibility Analysis	30
7.1. Changing of Fee for Donation	30
7.2. Changing in Capital Expenditure	32
7.3. Changing in Discount Rate	34
Appendix 1. Plan of Sales	36
Appendix 2. Volume of Sales	37
Appendix 3. Revenue	38
Appendix 4. Variable Costs	39
Appendix 5. Fixed Costs	40
Appendix 6. Profit and Loss Statement	41
Appendix 7. Cash Flow Statement	43
INFORMATION ABOUT THE «VTSConsulting» COMPANY	47

List of Diagrams, Tables and Charts

Tables

Table 1. Comparison of Crowdfunding Types	9
Table 2. GoFundMe (www.gofundme.com)	12
Table 3. Kickstarter (www.kickstarter.com)	13
Table 4. Indiegogo (www.indiegogo.com)	14
Table 5. Teespring (www.teespring.com)	15
Table 6. YouCaring (www.youcaring.com)	16
Table 7. Causes (www.causes.com)	17
Table 8. GiveForward (www.giveforward.com)	17
Table 9. Patreon (www.patreon.com)	18
Table 10. CrowdRise (www.crowdrise.com)	18
Table 11. Fundly (www.fundly.com)	19
Table 12. Sites People Visited Immediately before Competitor Sites	22
Table 13. Keywords from Search Engines of Competitors Sites	23
Table 14. Current Teams of Crowdfunding Platforms*	25
Table 15. Salary Fund	25
Table 16. General Assumption	26
Table 17. Payroll Expenses	26
Table 18. Capital Expenditure	26
Table 19. Plan of Sales	26
Table 20. Revenue	27
Table 21. Variable Costs	27
Table 22. Fixed Costs	27
Table 23. Profit and Loss Statement	27
Table 24. Cash Flow Statement	29
Table 25. Financial Indicators	29
Table 26. Sensitivity Analysis of Changes in Fee for Donations	30
Table 27. Sensitivity Analysis of Changes in Capital Expenditure	32
Table 28. Sensitivity Analysis of Changes in Discount Rate	34
Table 29. Plan of Sales	36
Table 30. Volume of Sales	37
Table 31. Revenue	38
Table 32. Variable Costs	39
Table 33. Fixed Costs	40
Table 34. Profit and Loss Statement	41
Table 35. Cash Flow Statement	43

Charts

Chart 1. Percentage of «successful» Money by Market Segments	10
Chart 2. Market Volume Dynamics	11
Chart 3. Strategic Canvas of Crowdfunding Sites	20
Chart 4. Revenue and EBITDA Dynamics, USD	28
Chart 5. Net Profit Dynamics, USD	28
Chart 6. Net Profit Dynamics due to Changes in Fee for Donations, USD	30
Chart 7. NPV Dynamics due to Changes in Fee for Donations, USD	31
Chart 8. IRR annual Dynamics due to Changes in Fee for Donations, %	31
Chart 9. Payback Period Dynamics due to Changes in Fee for Donations, months	32
Chart 10. Discounted Payback Period Dynamics due to Changes in Fee for Donations, months	32
Chart 11. NPV Dynamics due to Changes in Capital Expenditures, USD	33
Chart 12. IRR annual Dynamics due to Changes in Capital Expenditures, %	33

Chart 13. Payback Period Dynamics due to Changes in Capital Expenditure, months	34
Chart 14. NPV Dynamics due to Changes in Discount Rate, USD	34
Chart 15. Discounted Payback Period Dynamics due to Changes in Discount Rate, months	35

Diagrams

Diagram 1. Funds Raised Structure by Market Segments	9
Diagram 2. Funds Raised Structure by Regions	10

We thank you for your confidence

and would like to remind you that:

- ✓ *with the purchase of the business plan of the «VTSConsulting» company you'll have a guarantee of getting a consultation from specialists who have worked on a specific business plan*

- ✓ *during one to two hours our team will be ready to answer all questions related to the structure and content of the business plan*

Respectfully,

«VTSConsulting» team

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

«VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

We appreciate greatly the cooperation with each customer.

And we are proud of our customers!

LLC «Zemleugodie-Invest», OJSC «Petrovizard» company, Port LLC «Portal Logistics», SPK «Votkinsky plant», SPE «Stealth», Temryuk, LLC «Spetsbudproekt», «Nauka», I.N. Frantsevich Institute of State Enterprise UkrSRIPRI group of companies Materials of NAS of Ukraine, NTUU «Masma», «Reproto «SEMPROGROUP», LLC «Maximus «KPI», Science Park «Kyiv Technologies», «VOK Montage Construction», «Rosmolodezh», LLC Polytechnic», The Russian Service» company, LLC «Sisif Service», LLC «Plant TITAN», Government, Verkhovna Rada of «PRIIMAS» LLC «Project K», Ukraine

This is not a complete list of those

who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

You invest.

Respectfully,

Vladyslav Tsygoda,

the head of «VTSConsulting»