Business Plan for

Artscape

Produced By

Harry Phillips (149639)
Mitchell Newman (1702455)
Pered Williams (1702804)
Hayden Hurley (1701645)

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1. Executive Summary (Hayden Hurley 1701645)

This venture plan is for Artscape a social search mobile app which assists companies on finding Freelance artists to hire for a creative project . Artscape is very much inspired by the dating app tinder where the user can like or dislike different profiles based on a few pictures and a short description, on tinder it would be pictures of a person and a description of the same person however on Artscape it will be an artist's portfolio and a description about his/her art work .

2. Mission Statement (Hayden Hurley 1701645)

Art-Scapes mission is to help companies find the right creative freelancer in the least amount of time possible so they can focus on other projects with the time they save using the app and at the same time the freelancer could parentally get there project quicker and start working on it. Artscape also aims to allow freelancers to help and teach each other with tips and tricks of the trade and give feedback on anyone's portfolio Art Scape ultimately hope to create a friendly community where company's know that with any freelancer they hire the said freelancer would be well supported with competing the task either if that's with the freelancer Subcontracting to another freelancer or just receiving feedback and advise.

3. Objectives (Pered Williams 1702804)

We aim to have our app available to at least the whole of Swansea, our end goal will be to have the app available to businesses and artists across the whole of the UK. Swansea will be a test for our app and if it does well in Swansea then we will expand the availability to the rest of the UK.
The product will start as an app on the apple and play store but in the future, we will create a website in the future so that customers will be able to access their account on their PC or Mac

We aim to sell our regular subscription for the app for £4.99 a month and the premium subscription for £7.99 a month, the first month for every user will be free so that they can see if they like the app or not.

We chose to create an app for artists and businesses because there isn't many apps or websites out there for artists to post their work and get business from it. we chose to do an app rather than a website because people these days always have their phone on them so that they will be able to access the app at any time.

	Objective	**Timescale**	**Status**
Pre Start			
1.	Setup this source funding from business as this start up grant.	Application due 3/10/18. First payment 01/01/19	Submitted
2.	Setup this crowdfunding event that will 3 months prior the 1-year cash flow.	Start-up/ setup 03/10/18	Submitted
Year 1			
1.	Start of the year, start up business and release the application to the public.	1/01/19 to the 1/02/19	
2.	August/ September time advertise our application towards students who are now starting their new year or even host one at a university.	5/07/19 or the 5/08/19	
Long-term			
1.	Create a website to satisfy the customer base who would prefer to use a website.		
2.	Expand the company to have numerous offices situated across the country/the world.		
3.	Have this business/application available to the rest of the UK.		

4. The Management Team (Hayden Hurley 1701645)

Hayden is the user interface specialist (UI) on the Artscape team; Hayden's job is to design the look and make sure it blends well with the experience of the Art-Scape app, the look of Artscape is Hayden's main priority as the user interface specialist where the user experience specialist sorts out how we want the app to feel. Hayden also works closely with the user experience specialist to insure that that the app conveys a friendly yet professional experience.

Pered's role in art-scape is to make sure that our business meets all of the objectives and goals that we have been set.Pered's role is to set objectives for the app and make sure that we complete these objectives for example our service will start as an app but in the future we will be creating a website to expand our service to other platforms and it is Pered's job to make sure that Art -Scape completes the objectives by the deadline that has been set.
Harry is one of the finance managers for Artscape, it is his job to sustain the financial health of the company/organisation.Harry's typical duties would include reviewing financial reports, monitor accounts, to prepare activity reports as well as financial forecasts.Harry's job is to also investigate ways to improve profitability, and to analyze markets for business opportunities, such as expansion, mergers and acquisitions. For example an expansion when the company builds up enough profit, to have an office somewhere else in the country to increase the range of our product as well as awareness of it.
Mitchell is the head of marketing for Artscape and comes up with new advertising strategies that will boost the users on our App.Mitchell also does a lot of research in to other apps being used to advertise small artists in order to get new ideas and keep our app current with the new and upcoming artists, not to make our app obsolete.Mitchell is also trying to come up with weird and wacky ways to advertise our app through our clients such as using their skills for commission to get our client interested in our app as well as spreading the word in a creative way ranging from a huge mural to a graffiti party bus.
4.2
Once Artscape has funding we will need to hire employees that have knowledge of how to devolved an app this is important because the artscape app will need to be released as soon as possible but still be a premium app.

4.3 Training & Development Activities:

ArtScape will need to train in app development to make the artscape app as best it can be this means everyone working on the app will need to know the basics of app development at least this can be achieved by hiring an expert in app development to train the necessary employs at artscape . Artscape will also be needing to train a director that can be looking over the development of the product, this will be useful to make sure deadlines are being met and problems are being solved in a short amount of time . Artscape will need staff trained to answer phone calls and emails from customers this will be very important for artscape because artscape need be seen as a respected company.

4.4 Strategic Alliances:

Artscape will look at a Strategic Alliance with an accountant firm to keep track of the money being spent and being made this will be a necessity for Artscape as none of the current members have a skill in accounting . it will be useful for artscape to have a relationship with an established app developer company this will come in handy for teaching art scape employees how to design the art scape app and help Artscape with any problems that might happen in return artscape can find freelancers for the app developer. Artscape will also seek an relationship with an already existing freelancer company such as people per hour this would be good for artscape as good relationship with an already established and respected freelancer company would go a long way letting clients know that artscape can be trusted to deliver a premium service and it could be useful for artscape and people for hour to share information and feedback to help improve both businesses.

5. The Product or Service (Pered Williams 1702804)

Our service Art Scape is and app where artists can post images of there artwork they have done, it will allow artists to sell their artistic skills to businesses that are looking for artwork to improve the look of their business.
The layout of the app will be like the app tinder, the app will allow businesses to swipe through different artists profiles. Businesses will be able to save artists profiles so that they have contact to the artist if they need to contact the artist for any projects that the businesses have.
The app will be subscription based and we will offer a premium subscription which will mean that businesses will be more likely to see the artists profile.

6. The Market (Mitchell Newman 1702455)

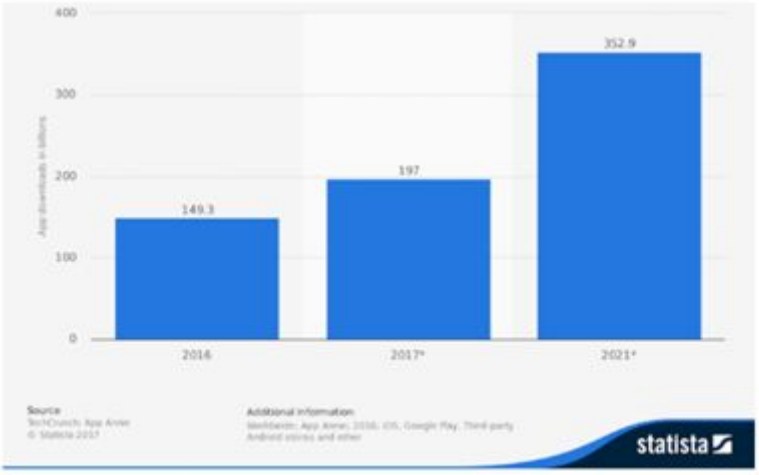
6.1 Market Description

http://www.businessofapps.com/data/app-statistics/

App Download Statistics

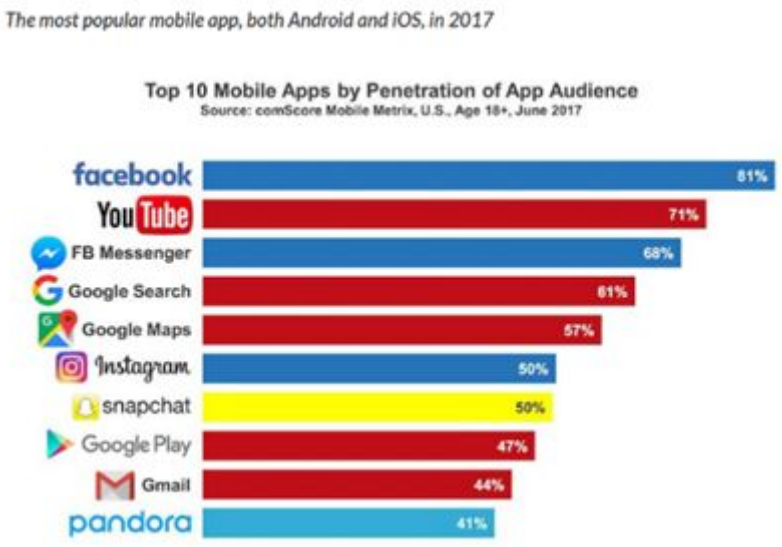
Certainly the data that describes the mobile app ecosystem the best is the total app downloads statistics. On the following graph we see almost 50 billion app downloads jump this year, 197 billion in 2017 versus 149 billion in 2016. According to a projection, by 2021 the total app downloads number will jump to a stunning 352 billion. Major smartphones and tablets manufactures regular hardware updates and introduction of brand new features are what stand behind the exponential mobile app downloads growth. One caveat to keep in mind as we look at this data, is that recent studies reveal that people stick to using only a handful of apps and uninstall apps regularly because they don't use them anymore.

Number of mobile app downloads worldwide, 2016, 2017 and 2021



As you can see here the number of people using apps is significantly increasing every year and by 2021 there is estimated to be 352.9 billion apps being downloaded, this shows us that we are going into the right market and shows us that there is a demand for our product.

As this app shows there is more users progressively using google play than there is using iOS this could impact our future updates, or even impact our app just releasing on one platform in future however that is unlikely due to the fact that we would like to make this app as expansive as possible.



As this graph shows there was a high demand for Facebook and YouTube in 2017, this graph clearly shows that we should push our advertising more on these platforms to get the best results and to bring a wide variety of customers.
Over an eighth of the 7.6 billion people on the planet use Instagram, and for our business that is amazing, this may be a surprise because Instagram could be competition for our app, however we plan on using Instagram's resources to advertise our business and take advantage of the 7.6 billion users. 1 billion people use Instagram the only two other websites that trump the number of users is Facebook and YouTube and we plan to use both two websites to our advantage.
Instagram – 1 billion users
YouTube – 1.9 billion users
Facebook – 2 billion users

6.2 **Market Environment Considerations**

Political

- Brexit – Issues around brand names and designs Rights holders will need to apply for separate UK trade mark/ designs as well as EU rights once the UK has exited the EU. The coverage of existing rights will change.

Economy

- Our App will have a subscription-based system to which the user can get no adds and/or gets their posts seen first by the user, so they are more likely to get work they can also upload more pictures of their work to show more of their assets off.

Social

- Our app will be impacted by the trends of artwork that affect the users we will have to adjust the app design depending on the trend at the time e.g. change backdrops, we will test this with user's response.

Technology

- Our App will be available for Android and Apple.
- Compatible with both mobile and tablet

6.3 **Competition**

YouTube now has a subscription option where the user can pay to have no ads on their videos, the number of users paying for this is 300,000 all the user has to pay is a monthly payment of £11.99

Five forces

Competition Rivalry

The rivals of our app are mainly Etsy, and Facebook and Tinder. Etsy is our competitor because it's the main location where artists go to sell their work, because there is such a variety of crafts to which you can sell ranging from hand woven baskets to paintings. Our other competitor is Tinder because we are using a very similar platform to advertise our artists by swiping through, which is why we need to make the platform seem different from Tinder. Another competitor is YouTube because people can learn to do crafts themselves such as tutorials on how to spray paint and draw, etc. Our last competitor is the Facebook business page because people can advertise their crafts and talents on their page and sell them there cutting out our app and managing everyone themselves.

Threat of New Entry

The threat of new entry is fairly high in our area because any individual can watch a YouTube tutorial and learn to draw, spray paint and make a business website or app for artists to gather and sell their artwork, also Etsy could always make an app similar to ours for them to quickly sell artwork.

Supplier Power

Our suppliers in this scenario is the app and software developer, they have quite a lot of power because without them we would not be able to make money, however I believe it is fairly easier to get another supplier if the software developer did leave.

Buyer Power

The buyers have a lot of power with our app as it determines how many people will inevitably use the app, we will have to determine our final price of the subscription

once we have had feedback from our users as to how fair the and reasonable the pricing is for what the user is buying, if the feedback is negative we may offer a lower subscription price.

Threat of Substitution

People could substitute us by learning how to do the craft they require from YouTube, however this would take a lot of time for them to learn and they would not get the required result straight away as they are only learning.

6.4 **Competitor Profiles**

Identify three key competitors (give variety if possible), identify their strengths and weakness (bullet points are fine) and consider how you're going to compete with them.

Competitor 1:
Instagram is a competitor because it allows its customer to surround its self in all of his/hers interests just by the customer following certain hashtags and certain profiles of their interests, this allows the customer to receive adverts for products on their news feed, this is a good way to get people to buy stuff because they are receiving items that they have an interest in, if we can implement a similar system within our app, such as when the customer likes certain styles of artwork on someone's profile, they then receive similar art styles on their own profile. However, the customer may feel private about what they are liking so this feature could be turned off for privacy. Instagram also lets the customer to have links to other websites in their profiles, such as a link to a merchandise website or a YouTube video showcasing their artwork and a montage of how the art was created this establishes a link to the customer and allows the seller to promote themselves to get more followers and thus more business.

Competitor 2:

Patreon has a huge following due to a lot of artists helping them grow as well with free advertising through Youtubers constantly making patron pages so they can be paid to make content as well as by YouTube. The websites overall layout is very simplistic however this is not a bad thing as it is easy to navigate, and it makes it easy to make a Patreon page and even has greets the user with a video describing how and why the user should make a Patreon page explaining the benefits of having a page. It allows all creatives to make an account, there is no limit as to what you can do or how you can manage the account.
With Patron's website it is hard to get noticed straight away due to there being so many users, however with our website you would be searching with hashtags and if you input the same hashtags as one of our artists works, he would come up first making it very easy to narrow down the artist you want.

Competitor 3:

Etsy is a main competitor because its where artists go to sell their art work and handmade items, this website would affect our subscriptions as it is a website specifically made to advertise artists. However, the platform for the artists is so broad that it is hard to get noticed amongst so many other crafts. Another flaw I have found is that it is hard for freelance artist to sell their skill on the website because it asks for a physical item to display to buy, I mean they could show their previous pieces of artwork however if they are a graffiti artist it would be hard to sell that individual piece.

Conclusion: Being well informed about your market is vital, you must demonstrate you know it inside out.

7. **The Marketing Strategy** (Mitchell Newman 1702455)

The marketing strategy will be driven partly by the information gathered in your market research. It is difficult therefore to write a credible marketing strategy if you have skimped on your basic market research. Marketing is not just about advertising, it's about how you interface with your customers.

7.1 **Overview of Customers**

Our customers will mainly be business owners and freelance artists because businesses are looking for new inventive ways to advertise their businesses to attract a wide variety of customers, these new advertising schemes are usually extreme and not just giving out leaflets because these extreme advertising strategies work.
Our other customers will be freelance artists and graduating creative students from university looking to improve and fill up their portfolio, also to make money on the side of their part time job for example. However, for the freelance artists it is a great way to get their name out there and a great way to improve on a good reputation if they have been doing the trade for a while, this will also simplify the payment area as it will all be through the app.

7.1.1 **Key Customer Profiles**

Identify three key customer types (give variety if possible), identify some obvious demographics but also pinpoint why they might use your business (their likes, habits, behaviour, etc).

Our main customers will be:
30 + business owner (bar) looking for work to be done in their establishment to attract a younger more current customer base, his hobby is his work and his work place as he enjoys continuously updating the inside with decorations and ornaments, he also enjoys conversing with customers to find improvements to be done in his establishment.

18 – 25 students looking to sell artwork as she has just graduated from university and is looking to expand her portfolio by doing freelance artwork for commission. She enjoys using more traditional means of art and not digital.

30 + business owner looking for a new way to advertise to attract new custom to his Tattoo parlour, and he wants a spray-painted mural on the side of his building to stand out on the high street, he enjoys sketching and is a fairly laid back person.

7.2 **The Marketing Plan**

The Five P's

7.2.1 Price

How are you going to price your idea in order to appeal to customers?
Think about competitive pricing, profitable pricing and realistic pricing.

The App will have a monthly £4.99 subscription to use however the seller will benefit the most from the premium subscription which is £7.99 a month. The benefit of having a premium subscription is that your work will show up first on the customers feed providing that they have search for the relevant hashtag to the seller's work. Also, you have access to see who has viewed your profile such as businesses, however if you're a customer the benefit of premium is that you can see more artists from far away. The first month is free to use the app to give our customers a taste of the App.

7.2.2 Promotion

How are you going to raise awareness? How are you going to appeal, engage and drive custom? Which elements of the Promotional Mix will you utilise?
Include the obvious elements like a website and social media but put more focus on any unique and creative promotional plans you have – excite the reader.
We will be advertising our product using our competitors' sources such as Facebook, Instagram and Etsy, to do this we will make a business page on each platform to promote our business and our clients work. Whilst using Instagram and Facebook we will stream a live video using these platforms tools to allow our viewers to watch our clients prepare their work and then the viewer can buy that art work in real time. We will also make a YouTube channel and using the footage from the live stream make a video montage of the stream and then put a link in our profile to advertise ourselves and our clients.

Promotion – to advertise our business we will do live videos from Instagram and Facebook and then use the highlights of the stream to make a montage which we will then put on YouTube, as well as consistent uploads to make sure people subscribe

to get our brand out there. We will also make a business page across all social media platforms. The event to kick our advertising off will be a huge mural inspired to advertise our brand we will pay our artists to do this, so we can get them to promote themselves through the app.

7.2.3 Product

Think about the product or service in terms of design, branding and the visual aspects of it.
Include any design aspects, slogans or brand names that will help promotion and customer appeal.
The product we are selling is an App using a tinder like platform to allow customers to scroll through hundreds of artists fast and effectively in their area, to see artist's work and decide whether they want the artist to do commission work for them or buy a pre-prepared piece of artwork. If they like the artist's work they can swipe right and more work like that artist will come up, however if you don't like the style the artist is using you can swipe left and that style of art will stop coming up on your feed this is the most effective way we can see to get to the genre of art the customer wants. You can also narrow down your search by using hashtags, what these will do is the artist will use hashtags that relate to their work and the customer can then search for the genre they want by using the hashtag most like the work they want e.g. graffiti , which will lead them straight to the most relevant art/artist.

7.2.4 Place

Where are your products and services sold? How are your products and services distributed? How will you get them to your customers and clients?
Our business is an App which can be purchased on both Android and iOS. We are also going to have a small office block to update our app and to talk about future add ons and accessories to implement to keep our app current and not to make our buyers feel like they are wasting their money.

7.2.5 People

Who is helping you in your business? The people and services that you use in your business can impact your success. If your salespeople or your cleaner are rude, you'll lose customers and clients. What culture are you going to create for staff to ensure they portray a positive and image and feeling for your business.
We will involve someone to consistently update the App and make sure it is running fine. We are the type of people that are very creative ourselves , and believe that this app would benefit us when we leave university due to the fact that if you come out of university with a illustration degree or a game design degree you don't really have much of a portfolio or a direction of where to go, we may even use the app ourselves to get an idea of how smooth the process is and find any hiccups in the system to fix.

8. Operations (Harry Phillips P149639)

- Employment

How we would employ people for the company would be advertising the position on websites such as Indeed, Reed and TotalJobs as these are one of the few highly used websites that people use to find jobs.

We would then look over the applicants to see whether they may be applicable to the task, after this we would then invite them for an interview for a better idea to what they are like and to see if they are who they say they are from the information they provided.

- Insurance

The company will need a few Insurance policies for example:

- ➔ Public Liability Insurance; this will help protect us against claims of personal injury or/and property damage that a third party suffers as a result of the business' activities.
- ➔ Employers' Liability Insurance; this will help protect us against financial loss if a worker has a job-related injury or illness not covered by workers' compensation.
- ➔ Professional Indemnity Insurance; This will help cover compensation claims if the business is sued by a client for making a mistake that leads to financial loss.
- ➔ Equipment Insurance; this insurance would be for all the servers and computers which the business will be needing to use, for example if one gets damaged under the insurance duration, we can get it repaired with little to no cost.
- ➔ Building and Contents Insurance; this insurance is rather self explanatory, however what it provides is coverage over the physical structure of the property, including the walls, roof and floors, while the contents insurance will cover items inside the building, such as the office supplies and some of the equipment.

- VAT Registration

The company will sign up for VAT registration as referring to section 10 (Finance) the company will be earning just over £200,000 in the first year, meaning we will have the option to, however it is for the best to sign up now, as we predict based off of these numbers in the next 5-6 years we would have gained a profit of £1m and when a company does hit this threshold, it is mandatory for them to sign up for VAT gistration.

- Equipment and Vehicles

The company has no plans on buying large commercial vehicles for the company, however, when we plan to attend local and social events to promote our company/product, we would hire or buy a van and have our company logo and details on the side.

The equipment we plan to buy from online professional companies who would sell them, equipment such as tables and furniture would be acquired from local retail stores that do sell them in large orders as this would save numerous deliveries and costs. Mainly buying the servers as well as the computers to operate them from the same dealership.

- Banking arrangements

Our banking arrangements would include us opening a business account with the bank, and that would provide a form of ID as well as government certified documents to say that we are an official business who are interested in opening an account with them.

Other banking arrangements would include the company taking out vast loans as well as money from our own account to benefit the production and development of the company.

- Health and Safety

As there are more than 5 employees going to be working at the company, we will have to document a risk assessment for the building and for the equipment within the building so that people will be aware of what equipment is dangerous to go near to and what is safe, it is our duty to ensure the health and safety of our employees as well as to point out potential health and safety hazards.

The main risks of health and safety within the building would be the servers themselves as they use a large amount of electricity and of course any contact with water or substance of liquid would cause them to break and start a fire, this also includes there being a powercut.

- Equal Opportunities

Following the rules of the Equality Act 2010, when during the employment phase we are offering everyone who does decide to apply to work for us, the same opportunities including their benefits as well as their recommendations for the title. We will provide everyone with the same amount of training as anyone else would, regardless to whether someone has a disability or not.

- Environmental Policy

Our company will not have a huge impact towards the environment, a negative impact one to be more precise as the business will not be manufacturing a physical product, but a digital one so the carbon footprint shall be low, however what the Environmental Policy may note about our company is the high usage of electricity as the technology

needed to make our product is high and requires constant usage.

An aim to reduce the usage of electricity is to ask members of staff to shutdown all computers apart from the ones that control the servers as when not used, the computers all together will be wasting power, and in our case money.

9. Risk Factors and SWOT analysis (Harry Phillips P149639)

A SWOT analysis consists of four main components that helps the process of starting up a company; Strengths, Weaknesses, Opportunities and Threats, below is the SWOT analysis we as a team thought of together about our product Artscape.

9.1 SWOT Analysis Findings (Harry Phillips P149639)

Strengths:

- Easy to access product due to how technology has advanced so much in the recent years.
- Customers will be able to customize their profile to how they would themselves to be portrayed, for example what artwork they would like to be their cover photo or the very first thing people see when they click on his/her profile.
- The application will feature an easy UI, it'll work very much as a social app, including all the benefits and some could say disadvantages it brings.

Weaknesses:

- The application will require a high maintenance and upkeep as the customer will putting up their personal and professional work as well as companies making profiles on there, meaning a high responsibility for keeping confidential information secure.
- The availability of an audience, for example the amount of concept artists that are in the world and who are interested in our product.
- The application works using an area base system, for example the user will only find other artists as well as companies who are in their general location, this can be scaled up and down to the users personal preference however.
- The product can only be accessed on a mobile device, the account will be able to be managed from a web browser, allowing for more intricate customization.

Opportunities:

- There will more than likely be an opportunity to have a partnership with other social media platforms, such as Facebook and Instagram, this will help the growth of the company and the product, on a visual look and on a financial level. However, having a partnership with a potential rival can be risky as they may buy your company out as well as make a version of your idea as their own.
- The opportunity for users to have a full access to the product on their home devices such as a personal computer/laptop, will broaden the availability of the product as well as the amount of audience using it.
- There may be opportunities to advertise the product at conventions and other events similar, for example, customers will more than likely be concept artists for video games, so ideally, the product should be advertised at a gaming convention such as Insomnia, it's the biggest UK's gaming festival as they claim, which hold many stalls selling and advertising new products.

Threats:

- Rival companies are a huge threat to our own company and growth, however there are a few ways to overcome this, we could start a partnership with the rival companies so that they stay in their own boundaries and we'd stay in ours but with us both earning a steady, reasonable income. Another solution would be to provide a totally new experience that other companies cannot rival with, this would be tricky as an idea like this is hard to think of, however I believe our product is this unique idea with a flare to the design and how it works.
- Companies may not agree in trusting our product/application at the start of its release as it is a new unknown application with no history to how it works or what its purpose is. This is a threat due to it denying the users accessibility to it on their devices, the companies in topic who would not trust it are mobile phone manufacturers i.e. Apple, Samsung, Huawei, etc.
- People are already using other applications for what our service can also provide to an extent; some audiences are using social apps such as Facebook and Instagram to advertise their work to the public as would what our product would do, but on a better scale.
- The issue that our company may be understaffed; due to the average pay of an office worker, in our first year we're not expecting to have many employees working in the company, meaning we would be understaffed whether our product becomes highly successful and there would be too many customers to manage.

9.1 SWOT Analysis Conclusion (Harry Phillips P149639)

To conclude the SWOT analysis, I believe there is an equal balance in the strengths and opportunities, compared to the weaknesses and threats, however there are things which we can do to stabilize our strengths, as well as minimise the risks and threats. Some solutions have been explained as the problem was mentioned above.

A solution for the threat of being understaffed would be to prepare for the issue, such as saving space in the office building and/or buying more office space so that it would give us the opportunity to expand, however this issue will only happen whether our app/product becomes a bigger success than we would expect, due to this we would not need to worry as much about costs of expanding.
A solution for the availability of our app can be overcome by implementing a website in the near future, when the company is stable with it's income the idea is to create a website for customers to customize their profile on the app to more of their liking, as well as provide a larger view to their page/portfolio, and allow for more of their work to be uploaded.

Overall I believe the company will be successful, even with the few weaknesses and threats that may arise during the course of its ongoing development throughout its first year.

10. Financial Summary (Harry Phillips P149639)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
8	Business bank loan	150,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	100,000	50,000	50,000	50,000	**750,000**
9	Start-Up grant	50,000	0	0	0	0	0	0	0	0	0	0	0	**50,000**
10	Kickstarter Event/Crowdfunding	50,000	0	0	0	0	0	0	0	0	0	0	0	**50,000**
11	**Total Income**	**261,827**	**63,675**	**65,360**	**66,440**	**67,486**	**68,564**	**69,143**	**77,426**	**135,631**	**87,287**	**88,445**	**90,102**	**1,141,386**
12														
13	**Costs**													
14	Raw Materials	4000	1500	1500	1500	1500	1500	1500	1500	3000	1500	1500	1500	**22,000**
15	Staff & Director Costs	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	**210,000**
16	Rent and Rates	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	4,000	4,000	4,000	4,000	**32,880**
17	Fixtures & Fittings	5,000	1,000	500	500	500	500	500	500	3,000	500	500	500	
18	Capital Exp. (Equipment, IT, etc)	115,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	75,000	10,000	10,000	10,000	**290,000**
19	Software/subscriptions	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	**36,000**
20	Utilities	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,500	1,500	1,500	1,500	**14,500**
21	Advertising & Promotion	10,000	10,000	10,000	10,000	10,000	10,000	10,000	15,000	20,000	10,000	10,000	10,000	**135,000**
22	Travel & Accommodation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	**12,000**
23	Printing	2,000	600	600	600	600	600	600	600	600	600	600	600	**8,600**
24	Equipment Rental	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	**32,000**
25	Accounting	1,000	500	100	100	100	100	100	100	2,000	1,000	500	500	**6,100**
26	Legal	1,000	500	100	100	100	100	100	100	2,000	1,000	500	500	**6,100**
27	Insurance	250	250	250	250	250	250	250	250	250	250	250	250	**3,000**
28	Repairs/Maintenance	1,700	1,700	1,500	1,500	1,500	1,500	1,500	1,500	2,500	1,700	1,700	1,700	**20,000**
29	Office supplies	1,500	1,000	500	500	500	500	500	500	1,000	1,000	1,000	1,000	**9,500**
30	Postage	5,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	5,000	3,000	3,000	3,000	**40,000**
31	Bank Charges	100	50	50	50	50	50	50	50	100	50	50	50	**700**
32	Training & Development	10,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000	3,000	3,000	3,000	**46,000**
33	Other	0	0	0	0	0	0	0	0	0	0	0	0	**0**
34	**Total Expenditure**	**183,660**	**59,710**	**57,710**	**57,710**	**57,710**	**57,710**	**57,710**	**62,710**	**151,450**	**64,600**	**63,600**	**63,600**	**937,880**
35														
36	**Net Cash Flow**	**78,167**	**3,965**	**7,650**	**8,730**	**9,776**	**10,854**	**11,433**	**14,716**	**-15,819**	**22,687**	**24,845**	**26,502**	**203,506**
37														
38	***Bank Balances***													
39	Start of the month	0	78,167	82,132	89,782	98,512	108,288	119,142	130,575	145,291	129,472	152,159	177,004	
40	End of the month	**78,167**	**82,132**	**89,782**	**98,512**	**108,288**	**119,142**	**130,575**	**145,291**	**129,472**	**152,159**	**177,004**	**203,506**	

Shown above is the cash flow forecast of the first year of our business/company Artscape, the statistics used for the number of customers that would be using our product is based off the American workforce population, as it is one of the largest in the world, however referred in section 3 (Objectives) we will be distributing the application to an audience of the size of Swansea/Cardiff as it is closer. I cut this number into a tenth of what the work force of non-professional artists, about 22100 people using the product to start, however this number is planned to grow overtime during the products life. I then cut this number down by a tenth as well to 2210, as this would be a realistic number of people who would sign up to our student accounts, keeping in mind this is not including the business accounts.

Income:

The business/company has planned to have five different methods of earning income for its start-up, two of which are from the product itself when it is released to the public, they are the Student Account and the other is the business account. The other three methods of income are the business bank loan, a start-up grant from the government and earnings from a Kickstarter event/Crowdfunding, the Kickstarter event/crowdfunding would take place 3 months prior of the one-year cash flow as that would be the right amount of time for the Artscape to raise awareness of the product, as well as raise income for the development for it.

Application Accounts:

The student account will be offered to the public as an upgrade to their free account when they first download the product, the student account will be a monthly subscription of £4.99 and roughly the same price in America, about $6.50 based off the current exchange rate between pounds and dollars.
The business account is solely made for more of a professional approach to the application, mainly for businesses who are looking for freelance artists for hire, the business account is also a subscription based and will be charged at a higher rate of £7.99 compared to the student account, in dollars this account would be roughly about $10, also based off the current exchange rate.

We as a company are expecting the number of customers to increase at about 200/300 per month as the app begins to grow in popularity and awareness, in doing so we have no plans to change the price of the student subscription.
Referring to the flow chart you can see the increase in income over the course of the first few months as it is at a steady pace, until September as we plan to expand the office to be a bit larger so that we can function better towards a larger customer base, this is where you can see the income increases dramatically both due to the number of customers buying student and business accounts. We do not expect the same amount of business accounts to increase compared to the student accounts, expected numbers are around about 100 a month, also depending on how popular the product grows.

As these account numbers grow, so will the income, referring to the Bank Balances section at the bottom of the cash flow forecast, income from the company begins rather low starting at less than £4000 earned in January, however income begins to increase overtime, with the next month earning £7000, until by the end of the year our income has increased to £26,148 by December.

Business Bank Loan and Start-up Grant:

From constant research, I was not able to find out whether a start-up grant is only allowed once, so within the cash flow chart you may see that there is only one instance of income coming from this, however it is a large amount of income of £50,000 that will be enough money for the start of the company.

Kickstarter Event/Crowdfund:

The Kickstarter Event/Crowdfund is aimed to raise around about £50,000, maybe even more, it depends mainly on the popularity it receives and the amount of advertisement we give ourselves. Successful events such as these tend to raise more money than they intended to, which is beneficial for any small business, however Kickstarter events tend to take normally 3 months to become successful and earn the desired amount, meaning the company will have to start raising money and awareness for the app, prior to our cash flow forecast. Nevertheless, the event will raise enough money to help support the start of the product as well as the upkeep, if money does end up falling short for a sudden reason, we can announce another crowdfunding event.

Costs:

Mentioned below will be all the costs the company has planned out in the one year flowchart, most costs fluctuate mainly during September time as that is where the company plans on expanding the office building to compensate to the increase of customers, the reason for the increase of customers is because this is when many young adults start University or college and we as a company are expecting many of these students to sign up to our application and utilise it during their degree.

Staff & Director Costs:

During the first year, the company is not planning on having many employees as the customer base is relatively low compared to other applications such as Tinder and Facebook, so the Staff and Director costs as you may see in the flow chart stays the same throughout the year, however this may change throughout the year due to the result of the product, whether it is popular or not. Staff rates are about £20,000 to £23,000 per year, this is the rate of office work, not including the training as that expense is separate, so therefore having a minimal amount of staff is needed at the start as pay is expensive.

Rent & Rates:

Rent and rates on the other hand do fluctuate in September because the office building we will be using, we're expecting to expand upon. The office building itself is situated within a city centre, for example Cardiff, as it would be close to many public services for the company and employees benefits. From research the average office building would cost about £25,300 per year, and for financial circumstances, it would be better to pay this off monthly as the company would not have to worry about going into debt in one month. We're expecting the pay of the rent to increase by double due to the expansion of the business.

Fixtures & Fitting Costs:

Fixtures and Fittings costs would mainly happen in the first month or even a few weeks prior towards the products public release, many of these costs would be installing the servers as well as the office equipment, also the phone lines will need to be fitted into the building. This would also cover the costs to any damage or changes that may have to be done to the building over the course of the year. As you can see within the flow chart, the main time for fixtures and fittings is in the first two months, costing about £5000 in January and £1000 in February, the next planned investment into this would be in September, estimated to cost at about £3000.

Capital Expenditures & Office supplies:

Capital Expenditures such as equipment, I.T, etc is expected to be expensive as the product will be a social application, meaning it will be needing servers for it to be available to the public, the servers themselves will be the biggest investment as the company would prefer two servers for the product so that there is room for growth. Also, the office building will need a server of its own for holding data on customers, legal documents, insurance documents and accounting documents. Holding a small server for holding said information would cost about £1000-£3000 alone, however the main servers providing the constant availability for the app will cost about £100,000. So, budgeting about £115,000 in January to pay for this is understandable, as the extra money will be forward towards buying other equipment for the offices, mainly computer facilities for staff to work at. This cost would also overlap with the Office Supplies as well, office supplies that would be needed would be, chairs, desks, paper, printers, etc, all the necessary equipment to allow staff to complete their office tasks. In the first month Office Supplies are expected to cost at about £1,500, however much of this equipment will be bought with the Capital Expenditure money.

Software/Subscriptions:

The office will also need software for the computers as well as for the servers, such software would be Microsoft Office which provides, Word, Excel, PowerPoint and many more useful programs to aid staff. Also, the computers will be needing an operating system installed into them if not already when they're bought. With all this software, the estimated cost of it all would be £3000 a month as some of this software is subscription based.

Advertising & Promotion:

Advertising and Promotion is estimated to cost £10,000 from January to July, this would be due to agreements with other social platforms for us to advertise our product as a pop-up advertisement or a splash screen, as well as adverts on billboards and other applications the customer would use on their mobile devices. However, the price is expected to increase during August and September as this is when we're expecting to expand our company building as well as our awareness to audiences, mainly students. The cost of this is expected to increase to £15,000 in August and £20,000 in September.

Travel and Accommodation:

Travel and Accommodation costs, we're aiming to be rather low as we're hoping to hire employees who live close by so that we do not have to pay as much for travel, however we have estimated about £1000 a month should cover the costs for employees who may need to travel to work or even stay overnight in a hotel in the area.

Training and Development:

In January we are expecting to pay about £10,000 in training as well as development for our product, making it better than previous versions. Our budget for this after January is rather low as we are aiming to have the product functioning as it should during the first month, so there would no need to work on the product much, however there will be work done to improve/fix any issues the customer informs us about. However also during the September time we are planning on expanding the customer base meaning the application will need to be ready for the sudden increase of usage, we've estimated a cost of £6,000 during September.

Accounting, Legal & Insurance:

Accounting is expected to cost a large amount during the first month as we would need to hire an accountant to make sure all our financial records are correct, as well as making sure we know how much money we can afford to spend on our intended costs. In the first month we are expecting to pay £1,000 on accounting, however the following months after until September, we're expecting to pay very little on an accountant, once or twice a month to check our financial statistics of that month. September is when we will need to have an accountant to help with the sudden increase with income

Legal costs will be going towards any lawyers we may need if our company gets called for any apparent reason, we have no intention to be going to court, however it is always best to prepare for it in case, Legal and Accounting costs will intertwine as accounting is classed as a legal cost also, however other legal costs would be legal documents on our current office building, as well as legal agreements between companies to allow us to have our product on their devices, i.e. Apple and Android

devices. So, as you may see in the cash flow chart, the costs of Legal are the same as Accounting.
Insurance however is different as there are a few that are needed, we will be needing Public Liability Insurance, Employers' liability insurance, Professional indemnity insurance, equipment insurance and Buildings and contents insurance, we are estimating that this would cost around about £3000 a year, so in the cash flow spreadsheet you can see that we have planned out to pay this monthly.

Repairs & Maintenance:

Servers as well as the computers will need to be monitored constantly to ensure that office workers will be able to use the facilities to their potential. In January and February, we've estimated that the costs for maintenance would be £1,700 as in the first few weeks of the product being active, we're not sure how the servers may hold to the data. However, during the months of March till August, costs are cut back to £1,500. During our planned growth of the business in September, we're increasing the estimated cost to £2,500 as there will be a significant amount of maintaining to be done on the servers, then for the rest of the year, the cost will reduce to £1,700, higher than before due to the increase of the products use.

Bank Charges, Postage and Printing:

The only bank charges that the company would make are the costs of keeping the business account with the bank organisation, as well as the costs of taking out a high amount of money of the account in cash, but this would be very unlikely as many payments will be done digitally. The estimated cost of the bank charges is likely to be high in the first month while it is set up, about £100, however throughout the year we also estimate the cost will be £50.
Postage is affected by what business bank account you have with the bank you have signed up with, the company has decided to use Royal Mail as it is one of the most popular postage/mailing services within the UK.

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