

EXECUTIVE SUMMARY

SITUATION AND SCHEDULE

We have started the first phase of our project which consisted in making the application available on download platforms for free. Our goal is to provide a finished product in order to obtain financing that will play an important role in the future of the project.

THE TEAM

The We Plug App project is led by Mr. Henri Mpandi who is associated with his childhood friend J- C Allen. Immersed in the artistic world, Mr. Mpandi is a former singer and party organizer in continuous contact with the event industry. He was also able to export a textile brand internationally. It is by noticing the difficulties in the artistic world that he and his friend have the idea to create the We Plug App to change the situation.

PROJECTION

Our goal is to become a real artistic directory in France and abroad. We want our application to bring together all the players in the artistic world. We expect to reach 150,000 new users by the end of 2022, 300,000 users by the end of 2023 and 500,000 by 2024.

ISSUES AND OPPORTUNITIES

The main problem is that the artistic domain remains very closed. In order to have access to services such as castings, the existing sites demand exorbitant prices that are not within the reach of everyone. Our application is the solution to this problem, because it is completely free. Another problem is also the payment of the services. Artists working without contracts may not be paid for a performance. Our application will also be a solution to this problem, as it will provide a framework for the service providers to order a service with the guarantee that the ordered service will be carried out correctly. The service provider will only be paid once the service is completed.

MARKETING STRATEGY

Our marketing strategy is mainly based on referencing. The objective is to be visible on a maximum of platforms where potential users can discover our services and our application. We then want to be visible in the streets of major cities through billboards, public transportation, etc.. We also plan to increase our number of partnerships with companies or recognized artists.

SALES STRATEGY

Our sales strategy is mainly based on the application fees that we apply on all transactions made on our application, which rate is 15%. Paid options are also available such as: moving an ad up in the news feed, sponsoring an ad to increase its visibility, etc.



BUSINESS FILE

WE PLUG APP

Document intended for : Henri Mpandi

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I. PRESENTATION OF THE WE PLUG WORLD APP

The application WE PLUG APP has a main goal to allow fashion and musical art amateurs to get in touch with professionals as easily as possible. It will be a matter of establishing a system of contact between amateurs and professionals in the artistic field. Therefore, our customers will be able to use the large range of choices integrated into our application, to request or sell services. We provide our users with services such as:

- Equipment rental.
- Casting services.
- Booking services and various other services.

It is more than just a networking application, WE PLUG APP is the faithful ally of talented young people, entrepreneurs, microbusinesses, and independent labels by being the springboard for the promotion of their activities.

II. MARKET ANALYSIS

The market of platforms of connection knew a great ascension for a few years. In particular, since 2014, when many new connecting websites have emerged. Even if the global income of this sector is not known or no available nowadays, we can confirm a huge profitability based on the financial statistics of some active platforms for a few years. Just as ART2M (a platform for artistic connections), which generated a turnover of 450 000 € in 2019. In the same sector we will also mention MY ART IS RICH (a startup that connects with artists) which aims to reach an income of 1 million € for the year 2022. This objective was set following the progressive profitability of the platform since 2016. It is true that the platforms' market of artistic connections is vast because it makes it possible to touch many activities all as lucrative as the others. WE PLUG APP will have the opportunity to enter a large market that has huge opportunities. According to an article from the French ministry of culture, there are nearly 25'000 artists in France. A number which increases every year, because the musical world attracts many talents who, in their beginnings need support to launch their career. The music sector has brought in nearly 781 million euros for France. Regarding fashion, we can read in the magazine B2B that fashion generates nearly 150 billion euros for France. A substantial amount of money, a part of which could be captured by WE PLUG APP which intends to facilitate contracts in this sector. Beyond art and fashion, WE PLUG APP will touch the market of influencers as well which according to France Culture is estimated at 15 billion euros. All these

statistics presented for France according to different fields of activity of WE PLUG APP will be increased by the fact that the application will not be limited only to France but will be usable everywhere in the world. This is an indication of a fruitful for the startup.

III. COMPETITIVE POSITION

Concerning the competition we will count 4 main competitors, namely:

My art is rich: Created in 2016 by Brigitte Fauvet. It is a platform that connects artists in the field of events. Its founder works with three main collaborators. The platform has a large network of partners that allows it to have many artists equally talented. The fees for the platform start from 5 €.

ArtJaws : Available since 2016, it is a platform that takes care of connecting artists with professionals or individuals for the promotion of their works. Founded by Anne-Cécille Worms, the platform has undergone many evolutions that have allowed it to become a marketplace renowned for the quality artworks it showcases. The platform recovers 30% commissions on the works of recognized artists that it publishes. For emerging talent, the platform will take 50%. It is worth noting that the platform makes a selection of artists who will benefit from having their works published on the platform, which in a way reduces its number of potential clients.

IV. COMPETITIVE ANALYSIS OF THE COMPANY

1. Strengths

ACCESSIBILITY OF THE APP : Our application is accessible to all, which is a major asset when you consider that most applications of the same type apply selective criteria.

A LOW COMMISSION RATE : We will charge a 15% commission on all transactions made on our platform. This is a relatively low rate compared to other platforms of the same type, which often charge up to 30% or even 50% commission.

A WIDE VARIETY OF SERVICES : Our application touches several sectors at once, which allows us to reach a larger market and increase revenues considerably.

2. Weaknesses

The main weakness of our platform is currently its lack of visibility and popularity. We plan to overcome this problem by implementing an effective marketing strategy.

V. MARKETING STRATEGY

Product policy: our application as well as our activities will witness a progressive evolving in quality and diversity. We will expand to other sectors as our turnover grows. Our platform guarantees the payment of the artists for each correctly performed service by securing the exchanges and the transactions between the collaborators. The risk scam is thus close to 0.

Pricing policy: our pricing policy as mentioned above will be to charge 15% of all transactions made on our platform in addition to the application of VAT. Payments will be made exclusively by credit card, PayPal and Bitcoin, as well as paid options available in the store such, as raising its ad in the news feed in order to increase its visibility, external products directly exploited from our company name will also be on sale.

Promoting policy: we plan to make ourselves known through advertising campaigns and the WEB. We are not neglecting the reach of social media and we also intend to create accounts on Facebook, Instagram, YouTube, and Twitter to gain proximity with the public.

Distributing policy: our distributing policy is to make our application available on Play Store and App Store. The downloading is completely free and accessible to all.

Bibliography

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FINANCIAL FORECAST

1- INVESTMENTS AND FUNDING

INVESTMENTS	Amount in € excluding tax
Intangible assets	150
<i>Start-up costs</i>	50
<i>Meter opening fee</i>	
<i>Software, Training courses</i>	-
<i>Trademark registration, Patent registration, Design registration</i>	100
<i>Entrance fees</i>	-
<i>Business capital or shares purchase</i>	-
<i>Leasehold right</i>	-
<i>Bail or security deposit</i>	-
<i>Application fee</i>	-
<i>Notary or lawyer fee</i>	-
Tangible assets	50 000,00
<i>Brand and communication elements</i>	50 000,00
<i>Real estate purchase</i>	-
<i>Construction and accomodation</i>	
<i>Material</i>	
<i>Office material</i>	
Maintenance Application	30 000,00
Start cash	30 000,00
TOTAL NEEDS	110 150,00
INVESTMENT FUNDING	Amount in € excluding tax

Personal input	10 150,00
<i>Personal or family input</i>	<i>10 150,00</i>
Other funding (wording)	<i>100 000</i>
TOTAL RESSOURCES	110 150,00

2- SALARIES AND SOCIAL CHARGES

	Year 1	Year 2	Year 3
Executives remuneration	-	-	-
<i>Increase %</i>			
Social charges for executives	-	-	-
Employees' salary	6 000,00	6 000,00	6 000,00
<i>Increase %</i>		<i>0%</i>	<i>0%</i>
Social charges for the employees	4 320,00	4 320,00	4 320,00

3- BREAKDOWN OF DEPRECIATION

	Year 1	Year 2	Year 3
Intangible assets	10,00	10,00	10,00
<i>Start-up costs</i>	<i>10,00</i>	<i>10,00</i>	<i>10,00</i>
<i>Software, Training courses</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Entrance fees</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Application fee</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Notary or lawyer fee</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Tangible assets	10 000,00	10 000,00	10 000,00

<i>Brand and communication elements</i>	10 000,00	10 000,00	10 000,00
<i>Real estate purchase</i>	0,00	0,00	0,00
<i>Construction and accomodation</i>	0,00	0,00	0,00
<i>Material</i>	0,00	0,00	0,00
<i>Office material</i>	0,00	0,00	0,00
Total depreciation	10 010,00	10 010,00	10 010,00

4- 3 YEAR FORECAST INCOME STATEMENT

	Year 1	Year 2	Year 3
Operating income	200 000,00	400 000,00	800 000,00
<i>Sale of goods turnover excluding tax</i>	-	-	-
<i>Services turnover excluding tax</i>	200 000,00	400 000,00	800 000,00
Operating costs	-	-	-
<i>Purchases consumed</i>	-	-	-
Gross margin	200 000,00	400 000,00	800 000,00
External expenses	24 720,00	24 720,00	24 720,00
<i>Insurances</i>	-	-	-
<i>Telephone, internet</i>	720,00	720,00	720,00
<i>Other subscriptions</i>	1 200,00	1 200,00	1 200,00
<i>Fuel, transports</i>	1 800,00	1 800,00	1 800,00
<i>Accomodation and travel expenses</i>	-	-	-
<i>Water, light, gas</i>	-	-	-
<i>Health insurance</i>	-	-	-
<i>Various supplies</i>	3 000,00	3 000,00	3 000,00
<i>Material maintenance and clothing</i>	-	-	-
<i>Cleaning of the premises</i>	-	-	-
<i>Publicity and communication budget</i>	6 000,00	6 000,00	6 000,00
<i>Rental charges</i>	-	-	-
<i>Accountant, lawyers</i>	12 000,00	12 000,00	12 000,00
<i>Other charges wording 1</i>	-	-	-
<i>Other charges wording 2</i>	-	-	-
<i>Other charges wording 3</i>	-	-	-
Added value	175 280,00	375 280,00	775 280,00
Taxes	-	-	-
	6	6	6
Employees' salary	000,00	000,00	000,00
	4	4	4
<i>Social charges for the employees</i>	320,00	320,00	320,00
Executives debit	-	-	-
<i>Social charges for the executives (Acre)</i>	-	-	-

Operating cash-flow	164 960,00	364 960,00	764 960,00
Bank charges, financial charges	1 200,00	1 200,00	1 200,00
Depreciation charge	10 010,00	10 010,00	10 010,00
Earnings before taxes	153 750,00	353 750,00	753 750,00
Corporate tax	38 094,40	94 094,40	206 094,40
Net income (income for the period)	115 655,60	259 655,60	547 655,60

5- Statement balances

	Année 1	%	Année 2	%	Année 3	%
Total sales	200 000,00	100%	400 000,00	100%	800 000,00	100%
Sales + actual production	200 000,00	100%	400 000,00	100%	800 000,00	100%
Purchase consumed	-	0%	-	0%	-	0%
Global margin	200 000,00	100%	400 000,00	100%	800 000,00	100%
External costs	24 720,00	12%	24 720,00	6%	24 720,00	3%
Added value	175 280,00	88%	375 280,00	94%	775 280,00	97%
Taxes	-	0%	-	0%	-	0%
Staff costs	10 320,00	5%	10 320,00	3%	10 320,00	1%
Gross operating surplus	164 960,00	82%	364 960,00	91%	764 960,00	96%
Amortization expense	10 010,00	5%	10 010,00	3%	10 010,00	1%
Operating profit	154 950,00	77%	354 950,00	89%	754 950,00	94%
Financial costs	1 200,00	1%	1 200,00	0%	1 200,00	0%
Financial result	- 1 200,00	-1%	- 1 200,00	0%	- 1 200,00	0%
Current result	153 750,00	77%	353 750,00	88%	753 750,00	94%
Result of the financial year	115 655,60	58%	259 655,60	65%	547 655,60	68%
Cash-flow capacity	125 665,60	63%	269 665,60	67%	557 665,60	70%

6- Cash-flow

	Year 1	Year 2	Year 3
Result of the financial year	115 655,60	259 655,60	547 655,60
+ Amortization expense	10 010,00	10 010,00	10 010,00
Cash-flow capacity	125 665,60	269 665,60	557 665,60
- amortization of loan	-	-	-
Net cash-flow	125 665,60	269 665,60	557 665,60

7- ECONOMIC BREAK-EVEN POINT

	Year 1	Year 2	Year 3
Sales + actual production	200 000,00	400 000,00	800 000,00
Purchases consumed	-	-	-
Total variable costs	-	-	-
Variable cost margin	200 000,00	400 000,00	800 000,00
Variable cost margin rate	100%	100%	100%
Fixed costs	46 250,00	46 250,00	46 250,00
Total costs	46 250,00	46 250,00	46 250,00
Earnings before tax	153 750,00	353 750,00	753 750,00
Break-even point (total sales)	46 250,00	46 250,00	46 250,00
Surplus/ shortfall	153 750,00	353 750,00	753 750,00
<i>Break-even in total sales per working day</i>	<i>185,00</i>	<i>185,00</i>	<i>185,00</i>

8- FIANCING PLAN At 3 YEARS

	Year 1	Year 2	Year 3
Immobilizations	50 150,00		
Acquisition of inventory	30 000,00		
Change in working capital requirements	16 438,36	16 438,36	32 876,71
Loan repayment	-	-	-
Total requirement	96 588,36	16 438,36	32 876,71
Personal contribution	10 150,00		
Loans	-		
Grants	-		
Other fundings	100 000,00		
Cash-flow	125 665,60	269 665,60	557 665,60
Total des ressources	235 815,60	269 665,60	557 665,60
Cash-flow variations	139 227,24	253 227,24	524 788,89
Cash surplus	139 227,24	392 454,49	917 243,38

Cash-flow reminder start year 1: 30.000,00

9- ESTIMATED CASH-FLOW BUDGET

First year

	Month 1	Month 2	Month 3	Month 4	Month 5
Personal contribution	10 150,00				
Loans	-				
Grants	-				
Other fundings	100 000,00				
Sales of goods	-	-	-	-	-
sales of services	-	-	-	-	-
Turnover (total)	-	-	-	-	-
Intangible assets	150,00				
Tangible assets	50 000,00				
Fixed assets (total)	50 150,00				
Purchase of inventroy	30 000,00				
Loan maturity	-	-	-	-	-
Purchase of goods	-	-	-	-	-
External charges	2 060,00	2 060,00	2 060,00	2 060,00	2 060,00
Taxes	-	-	-	-	-
Workers wages	500,00	500,00	500,00	500,00	500,00
Employee social charges	360,00	360,00	360,00	360,00	360,00
Collection for executive(s)	-	-	-	-	-
Social charges for executive (s)	-	-	-	-	-
Total staff costs	860,00	860,00	860,00	860,00	860,00
Bank charges, financial charges	100,00	100,00	100,00	100,00	100,00
Total of cash outflow	83 170,00	3 020,00	3 020,00	3 020,00	3 020,00
Total of cash inflow	110 150,00	-	-	-	-
Previous balance	-	26 980,00	23 960,00	20 940,00	17 920,00
Balane of the month	26 980,00	- 3 020,00	- 3 020,00	- 3 020,00	- 3 020,00
Cash balance (cumulative)	26 980,00	23 960,00	20 940,00	17 920,00	14 900,00

CONCLUSION

The project is profitable, but the initial cash flow is too low. The expected turnover for the first year is 200,000 euros, we estimate to reach 800,000 euros in the third year.

Based on the current plan, the EBITDA should grow from 164,960 euros in the first year to 764,960 euros in the third year. The improvement of the margin is mainly due to a better profitability of the various advertising campaigns carried out.

Operating cash flow and cash flow should be positive over the entire duration of the plan. WE PLUG APP's financing needs have been estimated at 110,150 euros. The objective of this forecast is to obtain financing for 100,000 euros.