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Investor Proposal

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Executive Summary

Ever shopped and found a cheaper price for the same item the next day? Well “Matjakt” will know every item in the store chain Norgesgruppen allowing you to search for any item in our app and the app gives you the location of where to buy it.

With our idea and your customers we will provide them with a solution to save money and earn coupons. This will allow you to keep current customers happy and bring in more customers to try it out.

Norgesgruppen, currently has 3.1 million customers, that's 60% of the Norwegian population and is the biggest grocery store chain in Norway. and if we can get a fraction of those customers to sign up it would end up in a profit. When the project is nearing completion we will start marketing it, and making people aware that soon they can use an app which will make buying groceries easier

Our team consists of 4 key players, our app designers, Håvard Furø Pettersen, Christopher Brokhaug Romnæs, Sindre and Tadas who all attended the same school at the same time.

Our business model is to make money with ads and premium memberships in the app. We expect to need 460 000 dollars for this entire project to be completed. With a CPM of 3 dollars and 100 000 active users we expect to make our funding back within 144 days from the subscriptions and google ads. That's only with 100 000 active users of the 3 100 000 million active customers.

We will offer you a 10% equity of our company That means you will get back 46 000\$ a month +- whatever we make from our banner/video ads and premium subscriptions.

Company Presentation

Information Technology Students, experts in design and coding. We all grew up with computers, so we have at least 15 years of experience in using a computer. We know how to use them and therefore know exactly what computers we need to order to get our project done as efficiently and cheaply as possible.

achievements:

upcoming bachelor students in information technology and in design.

We are skilled upcoming bachelor students in Information Technology. We specialize in Information systems and information technology and design. We all talk close to fluently in english so we have no problems working with almost everyone in the world.

references:

Stig Johansen is our professor and knows that we are experts in technology and design, he is also teaching us in how we create a real investor proposal. Stig is also a higher up in the Pitney Bowes Company.

Product Description

Our product is an app that will show you the prices of any item in any of norgesgruppen stores. The app will have functionalities like map (showing where closest norgesgruppen store is).

Imagine you are going to make a budget for food and want to buy the cheapest Jarlsberg. You need to find which store has the cheapest Jarlsberg. You can use this app and find the cheapest Jarlsberg on the market. You can filter out what type of food items you want to buy, for instance Jarlsberg. Then you can easily find out which store has the cheapest Jarlsberg.

Why is our app unique?

- You can make a shopping list to write down which item you need to buy.
- You can get the direction to the closest store who has the cheapest price on different items

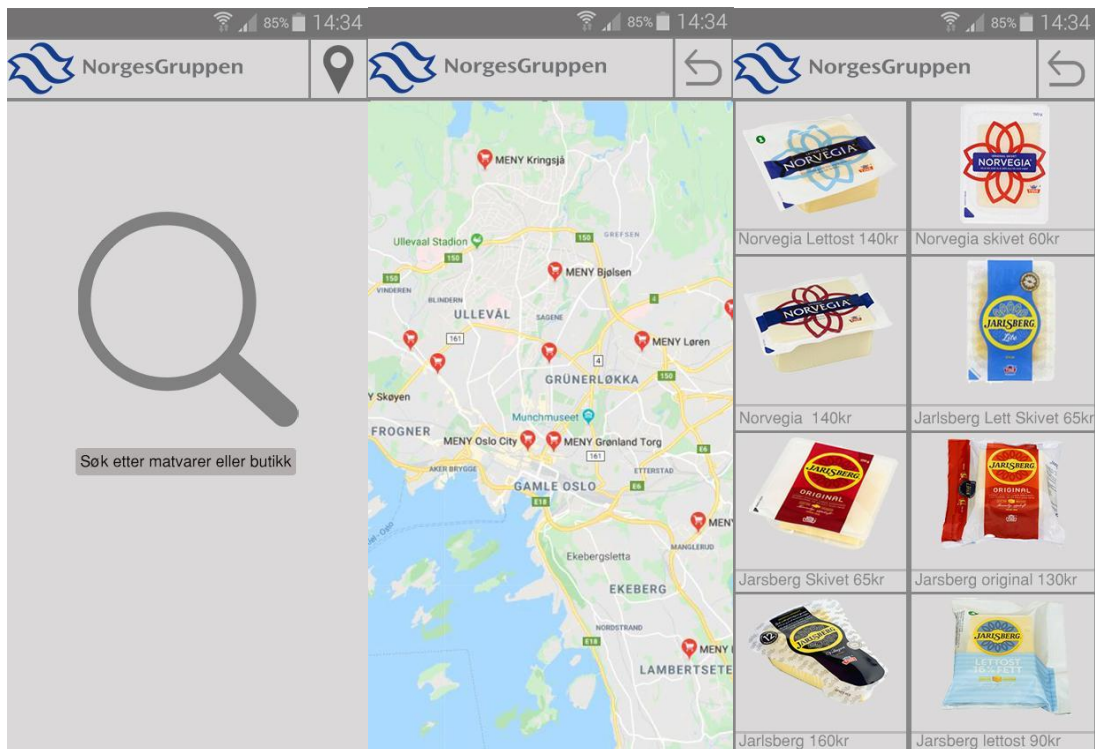
The problem we are trying to solve is that you sometimes buy an item at a store, and then you see later that the same item you just bought is cheaper at another store. And that the store actually has the item in stock, the most annoying thing going grocery shopping is when you come to a store, and they are all out of some of the items you want, so you actually need to go to another store after all.

Conceptualisation

The simple answer to Conceptualisation, it is a shopping app that will make the user not even need to think where the groceries are, and always tell you how much each item costs and summarising the price so you know exactly how much you will use it. the app will also come with some special features which will reward you for simply using the application.

We want an app that enhances the shopping experience. It is a phone application that in itself will make buying groceries easier. the app has several goals, the app must be designed in such a way that does not hinder the user from performing the original task. The other primary function needs to be finding accuracy of the groceries wanted, so if the app is used, the finding of the items needs to be so easy that the user doesn't even need to think when finding the groceries.

The features of the app will list every store that is a part of Norgesgruppen, and show every grocery that is in stock at the selected store. the items also will have a clear description of how much the selected grocery costs and where the grocery is located. You can also make a shopping list before you enter the store, to be aware that they have the grocery that you want.



This is a rough sketch of what the app would look like. While it is just a sketch, this could quite accurately illustrate on what the app could look like. the app starts with the first screen with two options, either search for a store or choose a map which will show you every store within a selected area. after selecting a store, the user can either make a shopping list which will show you every product and give you recommend groceries which is the same type of grocery just cheaper.

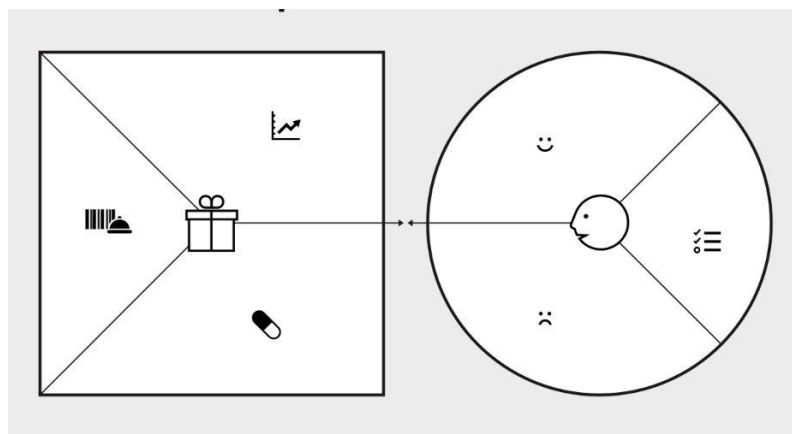
The map feature will ask for your location, but it is optional and the feature will still work, but the customer would need to search up their city to find the stores relevant to the user.If you want to get direction to the closest store, you'll need to allow position. The app needs to know where you are to show the shortest direction. Even if the user accepts the users information, the app will respect the users privacy and not send the information to anyone. Another reason why we cannot take any private information is that it would be too costly to store it, and it is not violating privacy without permission would not be legal and that is a risk we are not willing to take.

The user will also get an option in making an account with this application. This will let the user collect and scan coupons to get some deals at grocery stores. it would also cloud save purchase history and collected coupons.

There will be two versions of this application, the free and premium version. the free version will have every feature, but the premium will add some additional goodies such as additional coupons and will remove ads.

The premium version would cost five dollars a month. Since the premium version is behind a paywall, we will design this feature in such a way that makes it enticing for the user and beneficial for us.

Business case plan



Above there is an example of value proposition canvas.

The Value Proposition Canvas is a tool which can help ensure that a product or service is positioned around what the customer values and needs.

Pains what's annoying to the customers

1. The price difference for the same groceries
2. If it actually is in stock or not
3. Drive to a store that don't have the groceries that you want

Pains what's annoying to the customers

- The price difference for the same groceries
- If it actually is in stock or not
- Drive to a store that don't have the groceries that you want



Today people don't know the price differences live. What we offer is a solution to a problem to a lot of people have. Currently, if you can not find the cheapest price of an item you just have to go to any grocery. What we offer is a live price online in our app that will tell you where and what to find it. We will also show you if it's in stock and show you where to buy it on a map.

If it actually is in stock or not

Imagine walking to the grocery store for a specific item, but you cannot find it.

Gains what the customer wants to achieve

Gains what the customer wants to achieve

- efficient shopping
- pick out the cheapest/ the best fitting groceries
- find the groceries fast



Efficient shopping:

The customer wants the shopping of groceries to be more efficient, and that they don't need to go to different stores to get different items, because one store doesn't have the item they were looking for.

pick out the cheapest/ the best fitting groceries

The customer wants to find the groceries that are cheaper so they don't need to over pay for an item that they want.

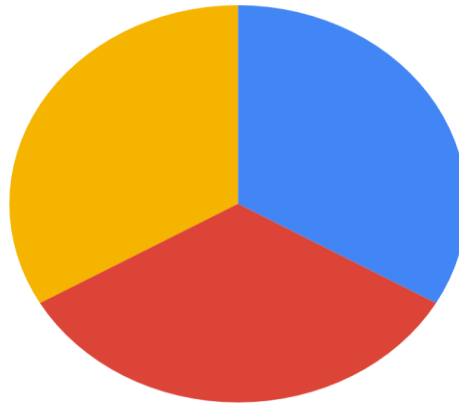
Find the groceries fast

Find what groceries the different stores have so they would find out what stores they need to go to, or even better that they find a store they can buy all the items they are going to get, so they don't need to go into multiple stores

Products and services

Products and services

- Shows every grocery in a selected store
- A shopping list can be created
- The app will help you find and select the desired groceries



Shows every grocery selected in a store

The app will show every grocery item in the store, so you can be able to find out if stores have the item you are after. This will make it easier for you as a customer so you can just go to one store, and not multiple stores.

A shopping list can be created

In the app you can make a shopping list, this makes it easier for you too shop because you don't need to use paper to write a shopping list on, and you do not need to use another app for a shopping list as well.

The app will help you find and select the desired groceries

You will get help from the app finding the groceries you want and the groceries you need so the shopping will be easier and faster for the customer.

Pain Relievers

Pain Relievers

- Cuts down expenses
- Makes shopping more efficient
- Rewards you for shopping at the stores



Cuts down expenses

The way our app is designed to work, is finding the optimal groceries for the user, so if a user finds it annoying to pay for groceries which they know there are cheaper variants off, this app will find the cheapest selected grocery. for example: the user wants to buy a pizza, but when he goes to the pizza storage the user may be confused when he sees how many types of pizza there is. if the user wants to find the cheapest type of pizza, the user can just use the app and the app will show every variant of pizza in the store and sort it by price. the user would save time and money just by searching the word pizza in our app.

Makes shopping more efficient

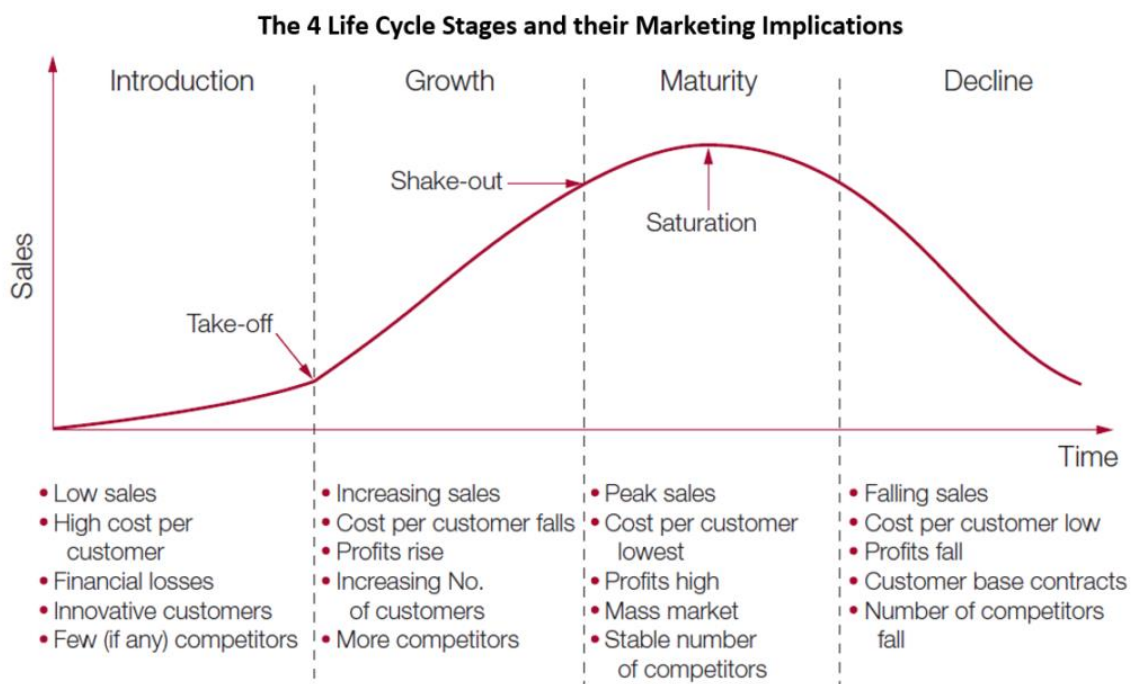
In reality Norgesgruppen has already these kinds of apps but they restricted to their store respectively. for example Norgesgruppen has an app made for Spar but that app will not work on Rema 1000. This made customers discouraged from using them because of their limitations. With Norgesgruppen app we combine every store in one app, this would remove that restriction and make it more convenient for a user to own a single app that can be used on every store connected to Norgesgruppen.

The coupon feature will also work on every store within Norgesgruppen, to make it convenient for every user, if they are traveling or buying groceries in a store they usually do not visit. This relieves a big pain in making shopping more efficient.

Rewards you for shopping at the stores

The app will also reward you for using the app when buying and using the store. The user can scan in their receipt and get a coupon that is based off of what you purchase. for example, if the user is a person that buys cookies frequently, he or she may get a coupon that will reduce the price of the next purchase of cookies. these rewards could also get better or more frequent if the user gets the premium version of the app, which in turn will lead to better deals for the user of the app. The more of the use of the app the better deals up to a cap.

Go-to-market strategy



In the beginning, it is important to gain customers. If we don't get enough users, it would be high cost per customer. High cost per customer equals less profit. After more customers have started using the app to compare groceries, the cost per customer falls. After a lot of people have started using the app, the cost per customer are lowest. Low cost per customer equals highest profit. After a long time at the peak, it's going down again. The app lose customers, maybe to another app. The cost per customer is still low, but the profit falls.

GTM

Gtm is a term meaning go-to-market strategy. it is an action plan that specifies how our company will get to our targeted group. An important part to keep in mind is that since our target group is 60% of norway's population, we need to keep in mind that we must therefore be appealing to every kind of person.

Our target group is very broad because of the nature of our application. Our company's project is a shopping app, so everyone that buys groceries must be included. what this tells us is that we need to look like our product will benefit a user.

The buyer of our product must be Norgesgruppen because of the nature of this application.

Due to the nature of the app, Norgesgruppen must be a buyer or at least be a partner, since we need a lot of information about the stores, inventory of the stores and the prices of the groceries. Norgesgruppen would be a perfect fit to be a buyer for this application.

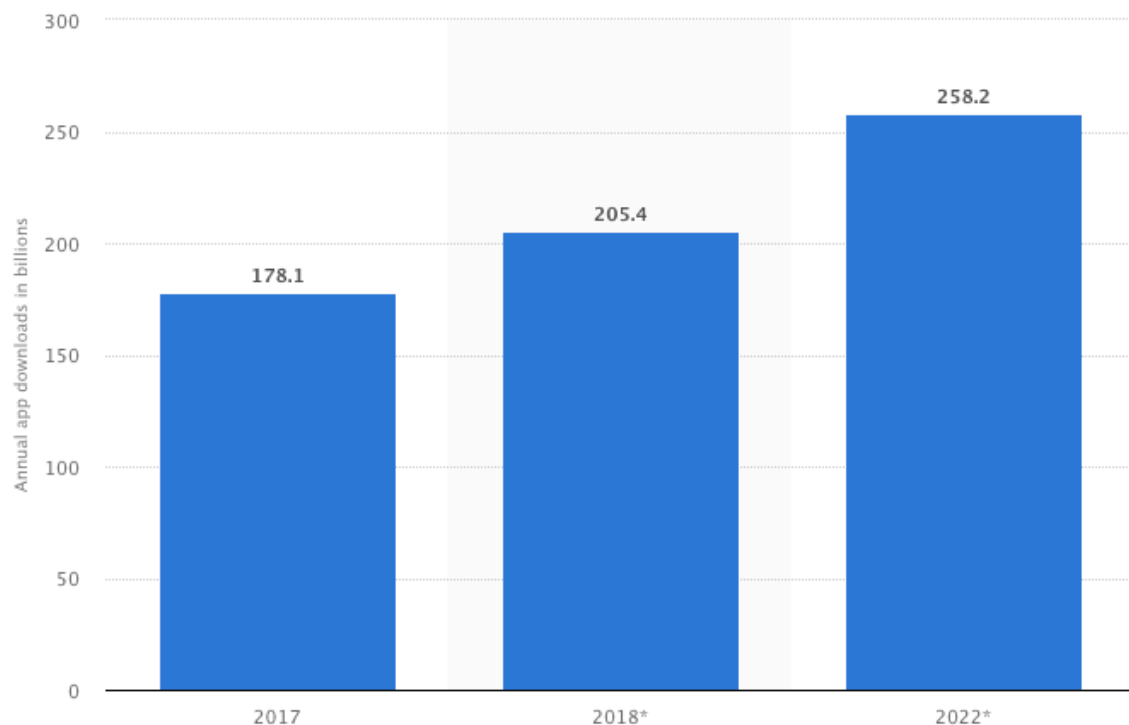
Our application would need to be usable for free because we need to give incentive to use a mobile app. Applications on the app store are usually free but also tend to have certain parts of them restricted behind paygates. Our app would work best if it is for free initially and we get revenue from ads. we would also have a premium feature which gives some bonuses for 5 dollars a month.

Marketing of this app is important. since it is a mobile app, it would make sense to advertise it on social media and other media applications. Since the app is targeted towards Norwegians we could also advertise it towards Norwegians, maybe on VG.no. A priority in design should be how market the app towards our target market.

The target group is so broad we need to be creative in how we can appeal to many types of people at once.

Finance

Apps have increased in download increased through our time.



Data visualized by  + a b l e a u

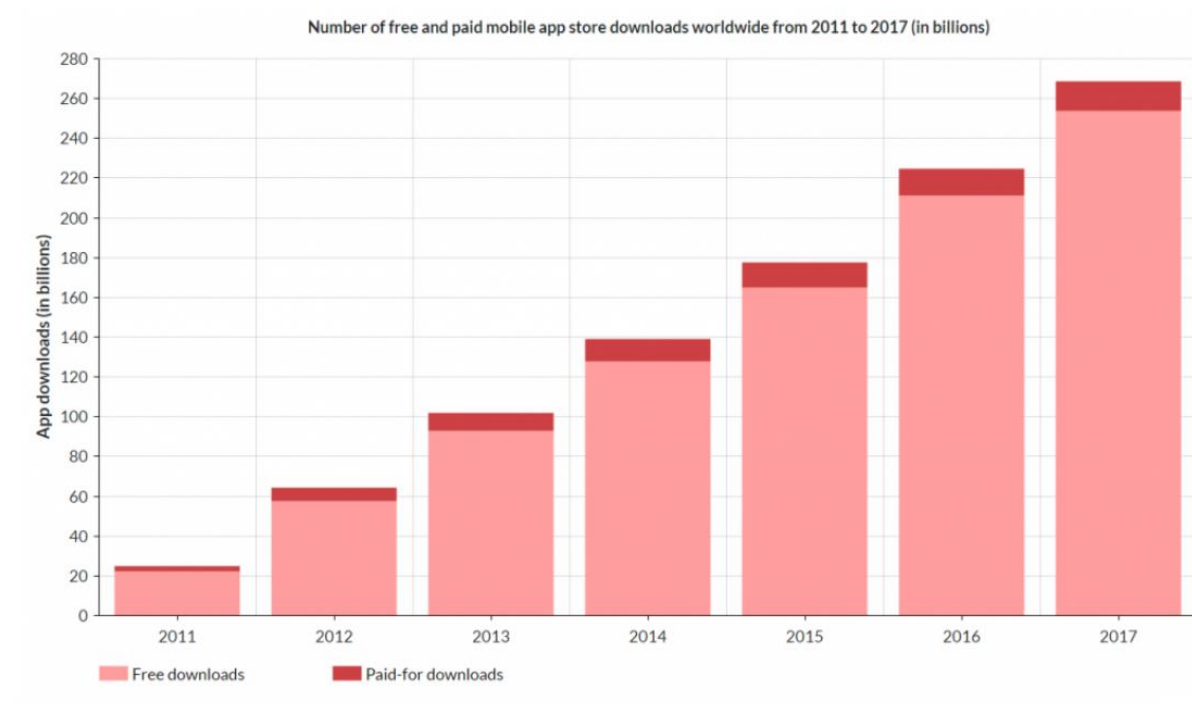
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We're seeing growth in app downloads each year. This trend will continue in the coming years as well.

Last year, there were more than 205 billion app downloads. That's a 15% increase from the year prior.

As you can see from the graph, experts predict that there will be a 25% increase in global app downloads between 2018 and 2022. So we're not expecting to see a steady 15% growth rate year over year like we did from 2017 to 2018.

When you're creating a mobile app, one of the first things you need to figure out is your monetization strategy. That's why you're building an app in the first place, right? To make money. Charging for app downloads might be something that's crossed your mind. But will people download your app if you make them pay for it? Let's take a look at the number of free vs. paid app downloads.



With this knowledge, that means at least 2% of the current user base will buy the premium subscription.

Budget

Assuming that every task has 10 workers each, working from 08:00 to 18:00 from Monday to Friday. People that are done early can begin working on other projects. Let us also assume that the workers get paid for how many hours they work. If everything goes as planned, the approximate costs will be shown here. Each worker gets 26\$ for every hour

26\$/h, and there are 10 people on each task. (26\$ * Amounts = Approx Cost)

Task	Detail	Length	Amounts	Approx Cost
A	High level spec	4W	200 hrs	52,000\$
B	Backend developing	4W	400 hrs	104,000\$
C	Design	2W	150 hrs	39,000\$
D	Front end developing	6W	500 hrs	130,000\$
E	Webserver	1W	20 hrs	5200\$
F	Backup	1W	20 hrs	5200\$
G	Database	2W	100 hrs	26,000\$
H	Launch marketing	2W	100 hrs	26,000\$
I	Publishing	2W	100 hrs	26,000\$

The approximated cost for the work would end up with 413,400\$

We also need to get a place to work and work equipment such. we will need an office with power, (preferably with a kitchen) with a capacity of 10+ people. we would also need to get equipment for them, that would be computers, monitors, keyboards, mice and internet connection. if the office does not have furniture we would also need to buy/rent furniture such as office desks and chairs. if we choose to work in Oslo the average office for 10 people would cost us 2,190\$ for a month.

now that we have the office with power and furniture we need equipment. and to rent out 10 computers we found a website that offers such a service and for our requirements it would cost us 436.90\$ for a month. if we include 10 copies of Office 365 the price a month increases to 2069.80\$ a month. looking at our graph it seems that our critical plan takes about 6 months. If we are cautious and not assume that everything will go as planned we add another 2 months. that would mean that our costs would be

$$(2,190\$ + 2069.80\$) * 8 = 34,000\$$$

Equipment	Approx Cost	Summary
Office in Oslo	2,190\$ a month	one office that fits 10 people
10 Computers	217.36\$ a month	Accessories
10 Screens	108.13\$ a month	Accessories
10 Pc Mice	20.75\$ a month	Accessories
10 Keyboards	37.14\$ a month	Accessories
10 Office 365 packages	1632.90\$ a month	this skyrockets the price up.
10 Hardware upgrades	139.81\$ a month	
Establishment fees	1081.32\$	108.13\$ for each computer
Insurance	52.32\$	

IN TOTAL:	5,319.17\$ a month	for 8 months: 42,553.36\$
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Revenue

We intend to make our revenue from ads and premium memberships. We intend to have a CPM(cost per thousand impressions) of 3 dollars. Using an ad revenue calculator we can estimate an earning of 3 thousand dollars a day if we have 100 000 active users which will help us get the money back within 153 days. Our subscription based service will cost seven dollars a month. Using statistics that we found showed that 2 % of the market purchases an app , we did some maths and 2% of 100 000 users will bring in 14 000 dollars monthly

For us to be able to make the project, we would would need 460 000 dollars, were we will offer you a 10% equity in our company

Estimated time for revenue back

With everything summed up, it will cost us approximately 460 000 dollars. Using our revenue model we plan on getting it back within 153.3 days if we have 100 000 active users with a CMP plan of 3 dollars. Our 2 % of the premium sales will result in 14 000 dollars per month. We also have an opportunity to make great money with our banner/video etc etc.

In this estimate we only use google ads, if we use other sources of ads like video ads and banners from other parties, like for example other apps companies that offers us money to advertise their product we can drastically increase our revenue from ad revenue.

What we keep in mind is that too many ads will however discourage users from using the app and will look bad for Norgesgruppen and ourself.

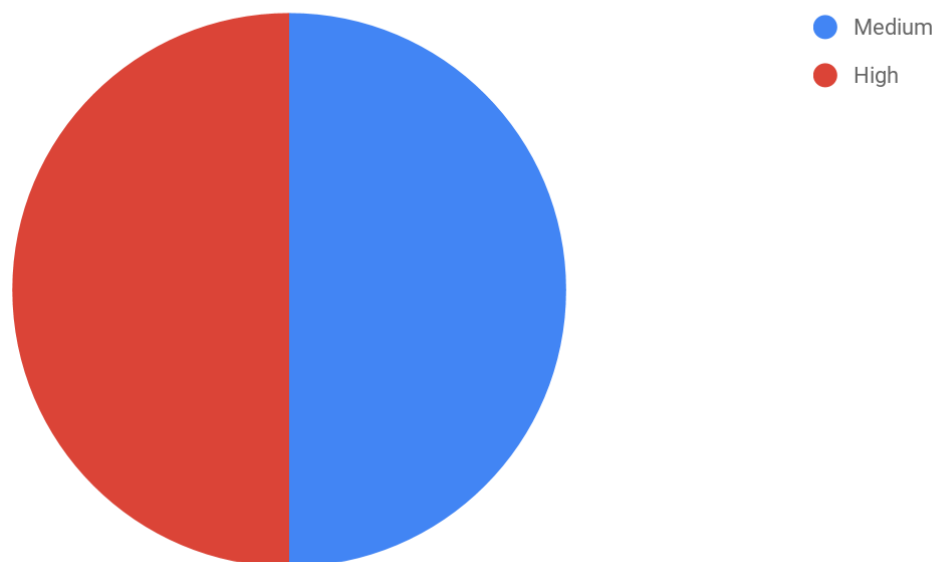
Risk/Readiness/exists:

We have found that the risks of the project is :

1. Not enough users
2. Tight time frame. The deadline doesn't allow for any force majeure circumstances
3. Technical risks: i.e. part of the platform where you're planning on setting up your website may be an open source and may not be updated.
4. Collect the data. We have to get access to the Database
5. Server problems
6. Lack of security

Risks

Risks for our project



Risk	Description	Risk level
Not enough users	If the app don't get enough users, the cost would be higher than revenue	High
Tight timeframe	The deadline doesn't allow for any force majeure circumstances	Medium
Technical risks	Part of the platform where you're planning on setting up your website may be an open source and may not be updated	Medium
Collect the data	We need to get access to the database. If we don't access to the database, we need to collect the prices by ourselves	High
Server problems	We could get problems with the server, we may lose users	Medium
Lack of security	We need to have high security because of GDPR	High

How we will manage the risks

Not enough users

The best way to get new users is to have good marketing, and marketing to the people that might need our app the most. Even though marketing in itself can also be a risk, because if the marketing is not done good enough, we might not get new users from it.

Collect the data

We need to contact norgesgruppen early in the process to ask if it's possible for us to get access to their database so we can get out the prices. If they choose to say no, we have the possibility of adding a function to the app which does so users of the app can update prices on the app, or we would need to collect the prices ourself.

Server problems

It could come up some problems with the servers, either hardware malfunction or software malfunction. This can do so we lose users and can also lose revenue. This can be manageable if we have people that can work on the servers and check if they are alright at all times.

Lack of security

Because of GDPR it is strict that every app that have database that contains information on people in it, have a good security policy, and that we follow certain rules.

Possible exits

Liquidation of the company

Sell all assets.

Pay the money we have left to all creditors and then if we have money left, pay back the money we got from the funders to minimize the money loss.

Sell the business

We can sell the business to other companies preferably norgesgruppen, as this app would be better for them to have then to other company's. It is also possible to sell the business to other managers or employees of the company.

SOURCES

Steve Krug (2014) *Don't Make Me Think, Revisited* (while this book is more in designing websites it proved useful in coming up with a design to our application)

Ad revenue calculator: <http://ryanmorel.com/mobile-advertising-calculator/>

https://www.norgesgruppen.no/globalassets/barekraft/ars--og-barekraftsrapport-2018_web.pdf Most popular apps in Norway:

<https://www.appbrain.com/apps/country-norway/?o=80>

(office costs: tok that as the example)

<https://www.kontorplasser.no/detaljer/599/Husebybakken%2028B,%200379%20Oslo%20Norge>

Renting out 10 computers with screens, mice, and keyboards for each computer.

<https://pc-utleie.no/leie-stasjonaer-pc/>

Converted NOK to USD with this website:

https://no.coinmill.com/NOK_USD.html#NOK=18,950