
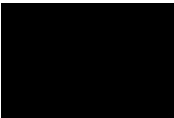

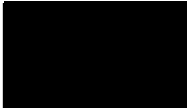

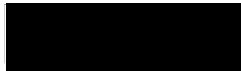



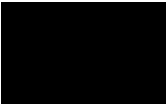

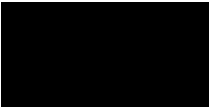



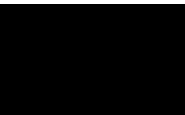

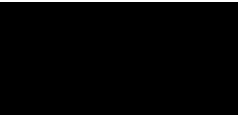


# The ModWatch Company Business Plan

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## Executive Summary

*The ModWatch Company* has developed *ModWatch* - a smartwatch that empowers individuals from all backgrounds to tailor one device to meet their exact needs. *ModWatch* technology puts control of features into the hands of consumers through a range of interchangeable sensors and modules called *WatchMods*. The *ModWatch* system provides an unobtrusive and seamless user experience. Within a matter of seconds, and without any prior experience, the user can easily remove and replace *WatchMods*, guided by our on-screen guide system.

*ModWatch* can accommodate four *WatchMods* in slots on the rear of the device without increasing its profile, so the slim device appearance can be maintained regardless of which modules are installed.

By offering a watch capable of such customisation, *The ModWatch Company* aims to reach a wide market, spanning almost the entire wearables platform. Targeting athletes, businessmen, and tech geeks alike, *ModWatch* is able to rival each and every smartwatch and fitness wearable out there through a diverse range of *WatchMods*. Furthermore, by using medical *WatchMods*, *ModWatch* can be vitally useful to consumers suffering medical conditions that require constant monitoring (such as diabetes), giving them greater confidence through its discreet nature.

As a startup business, creating and maintaining a complete product ecosystem is not realistically feasible. To solve this problem, *The ModWatch Company* will develop, assemble, and sell the *ModWatch*, as well as some *WatchMods*. It will then work closely with partner companies to deliver other *WatchMods*. Guided by the needs and demands of the *ModWatch* consumer base, this will enable us to produce a broader range of *WatchMods*, and hence *ModWatch* functionality. Partner companies will also be able to assist with producing *WatchMod* applications and providing technical support and repair warranties. Together, the consortium will provide a complete and rich product ecosystem. Providing a complete product platform, *The ModWatch Company* aims not only to attract a large number of customers, but also to maintain long lasting customer relationships.

The smartwatch and fitness wearable market is a proven one, with an estimated current value of over \$15bn, and projected value of \$25bn by 2019<sup>1</sup>. The medical and health market is unsaturated. For example there are nearly 5 million people suffering with diabetes<sup>2</sup> in the UK alone, and few products currently available which offer easy blood sugar monitoring. Using medical *WatchMods*, *ModWatch* tackles this. Both these markets are therefore ripe for *ModWatch*.

All of the *ModWatch* renders and sales details can be seen online at <http://www.modwatch.co.uk>.

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<sup>1</sup> <https://www.ccsinsight.com/press/company-news/2332-wearables-market-to-be-worth-25-billion-by-2019-reveals-ccs-insight>

<sup>2</sup> <https://www.diabetes.org.uk/professionals/position-statements-reports/statistics>

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## Introduction

### The ModWatch Company

*The ModWatch Company* was founded in October 2017 by a team of ten Electronic Engineering students from the University of Surrey, with the intention of solving the issues caused by similarity and lack of choice in the current technology market. Specifically, the team wanted to develop a technology which will allow endless customisation and allow consumers to tailor a device to their own individual specifications. The result is *ModWatch*, a smartwatch that has a key uniqueness in it having the ability to add or remove customised expansion modules and smart sensors from the rear of the watch. The modules can be conveniently swapped out on demand, and each one is capable of delivering a range of information from the environment to the watch, including:

- **Body sensors** to relay a wealth of information to the device for fitness tracking and medical health purposes, including pulse oximeters, hydration sensors, temperature sensors and blood glucose sensors (glucometer).
- **Environmental sensors** to allow for higher-precision measurements of the device's surroundings for specific use cases, including altimeters and depth sensors, GPS, and precision accelerometers and gyroscopes.

- **Feature modules** including a vibration module for use as an alarm and/or notification system, embedded SIM card, and extra storage modules.

## Business Aims

As a hardware-oriented business, *The Modwatch Company* intends to work within three key areas of activity, with key aims in each area. These are set out as follows:

- **Research and Development** of the *ModWatch* concept and product line is the company's main area of activity at the present time. Here, there are three key aims for the company. First, to conceptualise, demonstrate and design the *ModWatch* chassis and interfacing systems. Second, to research, develop and design suitable *WatchMod Expansion Modules* to release with the initial product. Third, to develop robust interface standards to allow third-party module providers to become part of the ecosystem.
- **Assembly and Sale** of products from an early phase will become a significant activity for the company as *ModWatch* technology matures. The company has two key aims in this area. First, to play an involved role in the final assembly and packaging of the products - which is intended to include custom touches such as the installation of pre-selected *WatchMods*. Second, to initially sell products directly to consumers through the company website, and work to develop options for carriage through retailers as the brand matures.
- **After-Sales Support** for *ModWatch* is intended to ensure that the ecosystem created by the company is stable and remains viable. Here the company has four key aims. First, to provide technical support from employees at the systems engineering level. Second, to provide ongoing software and security patches for the lifetime of products. Third, to facilitate continued sales of *WatchMod Expansion Modules* to existing customers, to complement their purchase. Fourth, to forge and maintain relationships with our key partners, including service providers, warranty providers, and third-party expansion module producers.

## Market Overview

The concept of smartwatches is already well-established in the minds of consumers. However, at the time of writing there is no readily-available modular smartwatch on the market. Only one comparable device exists, a smartwatch concept<sup>3</sup> which uses a modular wrist strap with “blocks” - optional strap segments which perform a certain task. *The ModWatch Company*’s approach to modularity is committed to placing the modular elements within the body of the watch, making them less obvious and obtrusive than this rival concept - this approach is unique, according to research.

*ModWatch* is intended to span the smartwatch, fitness wearable, and health monitoring markets.

- There is strong competition in the **smartwatch market** in general, where there are many established businesses and a high volume of new entrants. Though the market is perceived to be approaching saturation, the unique elements of *ModWatch* stand to set it aside from its rivals.
- The **fitness wearable market** typically focuses on inexpensive devices with low functionality and one main application. There are some fitness wearables aimed at the high end; these tend to be smartwatches with functionality bolted on, something which *ModWatch* would be in a position to challenge with its modular approach.
- The **health monitoring market** is an area where *ModWatch* can excel. Devices currently on the market have a single purpose and are from established companies. In its modular approach, *ModWatch* can reduce the required levels of work for these companies and make it easier to design, test and certify new products. For the consumer, *ModWatch* allows one device to serve multiple purposes - something which has never been available with such flexibility before.

In terms of the health of the market, smartwatches and fitness wearables currently make up 90% of the overall wearable market - a market which is estimated to currently consist of 600 million devices and to be growing at a projected rate of 24% per annum up to 2021.<sup>4</sup> By 2020, it has been predicted that the market could be worth US\$34bn.<sup>5</sup>

*The ModWatch Company* believes that the current state of the market presents an excellent environment to successfully introduce *ModWatch*.

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<sup>3</sup> This concept is called BLOCKS ([www.chooseblocks.com](http://www.chooseblocks.com)) [Accessed: 17/04/18]

<sup>4</sup> Statista (2016). Wearable Technology - Statistics & Facts [online] Available at: [www.statista.com/topics/1556/wearable-technology/](http://www.statista.com/topics/1556/wearable-technology/) [Accessed 19/04/18]

<sup>5</sup> Lamkin, P. (2016). Wearable Tech Market To Be Worth \$34 Billion by 2020. Forbes [online]. Available at: [www.forbes.com/sites/paullamkin/2016/02/17/wearable-tech-market-to-be-worth-34-billion-by-2020/](http://www.forbes.com/sites/paullamkin/2016/02/17/wearable-tech-market-to-be-worth-34-billion-by-2020/) [Accessed 19/04/18].

# The ModWatch Ecosystem

## Product Overview

### ModWatch

*ModWatch* is *The ModWatch Company's* primary product. It is a smartwatch with a key difference - while the front face appears similar to any smartwatch already on the market, the rear of the device contains *ModSlots* - interfaces that can house any one of a whole range of sensors and feature modules known as *WatchMod Expansion Modules*. The initial *ModWatch* design has four *ModSlots*, allowing the customer to mix and match from features which have traditionally only been embedded into specific devices and allowing the functionality of any device to be tailored to a specific user's needs.



### WatchMod Expansion Modules

*WatchMod Expansion Modules*, or *WatchMods*, are easily-interchangeable peripheral modules designed to be easy and inexpensive to manufacture to ensure high affordability for the consumer, and making it easy and enticing to add new functionality to a *ModWatch* device.

*WatchMods* contain the minimum hardware required to provide peripheral functionality, consisting of minimal circuitry on a tiny circuit board - smaller than a penny - and a shroud to provide the required physical interface.

*ModWatch* provides power and control to the *WatchMods*, and allows them to be hot-swapped while the device is active. On detecting a newly-installed *WatchMod*, the required software is discreetly downloaded in the background to make operation seamless from a user perspective.



## Product-Related Services

In addition to hardware, *The ModWatch Company* intends to maintain a number of services for customers.

*ModWatch* runs on the prevalent open-source smartwatch operating system Android Wear, giving access to a large range of existing services and integrations. On top of this runs custom software to facilitate the *WatchMod Expansion Modules*. *The ModWatch Company* has an obligation to maintain this software, and intends to provide software and security updates for the duration of the product's lifetime.

*The ModWatch Company* intends to provide in-house technical support combining its own customer support staff and engineers from all departments of the company, who will be able to give insight at the systems engineering level. The company believes that this provides the most effective means of resolving any issues.

The *ModWatch* ecosystem will be supported online with a portal providing access to technical support and an online store for *The ModWatch Company's* products as well as third party modules and accessories.

## Third Parties

### Third Party WatchMod Producers

*The ModWatch Company* has identified that, due to the extent of possibilities the platform provides, third parties are essential to drive innovation within the ecosystem. The company intends to fully support third parties wherever practicable, and will provide a sales platform for third party *WatchMod* producers and accessories.

The company envisages that the ecosystem will include a diverse community of third party *WatchMod* developers, and intends to develop a *ModSlot Interface Standard*, encompassing electrical, physical and software specifications. This is to be made freely available to the development community and will be accompanied by an SDK, APIs, and relevant technical documentation, to make it as easy as possible to develop and produce *WatchMods*.

### Services

The ModWatch company intends to coordinate with third party companies, enabling additional capabilities without needing to hire extra employees that do not coincide with the anticipated growth of the company. These third party services include:



- *The ModWatch Company* intends to seek **legal advice** from an external company. Growth is heavily dependent on the ability to protect the intellectual property of the company via patents, applied for independently from the University of Surrey. This is to ensure full ownership of the patent, but will incur a financial cost which will grow depending on the level of protection needed.
- *The ModWatch Company* intends to form relationships with **warranty partners**<sup>6</sup> who can provide service and repair direct to the consumer, with reduced overhead costs to the company and shorter response times.
- To **process payments** through its online store, *The ModWatch Company* intends to utilise an established external provider such as PayPal. This simplifies the company's job as all financial transactions with consumers can be handled externally - for a fee.
- **Production and manufacturing** in the UK is not as cost effective as it is in China or India. The company will therefore seek a third party company to handle this aspect of the *Modwatch*<sup>7</sup>. This will reduce the overall cost to build a single *ModWatch*, allowing for a higher profit margin. The assembly of the final units will be handled internally.

## Value Proposition

The unique element of *ModWatch*'s design is its modularity. The product design ensures that *WatchMod Expansion Modules* are easy to exchange, convenient to use, and inexpensive to purchase. The abstraction of peripheral functionality from the main device allows either the *ModWatch* or the *WatchMods* to be upgraded or replaced independent of one another. These design decisions have been made to facilitate the following attributes:

- The multiple *ModSlots* on each device can give rise to **unique use cases** of *ModWatch* for consumers, who can select their own *WatchMod* combinations to tailor the device to their own needs.
- *ModWatches* can be produced to **target different audiences** at different price points, sharing the same modules and interfaces to prevent compromise of the core *ModWatch* user experience element.
- *ModWatch* can reduce wastage by **challenging the obsolescence cycle**<sup>8</sup> followed by most current product lines; to gain new functionality a consumer only needs to purchase a new *WatchMod* instead of a completely new smartwatch.
- The extensive possibilities of *WatchMods* allow *ModWatch* to **span multiple markets**, targeting consumers interested in sport, fitness, medical health and general wearable technology.

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<sup>6</sup> Examples of warranty providers in the UK include iFixit ([www.ifixit.com](http://www.ifixit.com)) and iSmash ([www.ismash.com](http://www.ismash.com)) , who claim to be "The UK's Leading Tech Repair Expert"

<sup>7</sup> Example companies include Elecrow (<https://www.elecrow.com/>) who can provide PCB production, assembly and CNC facilities.

<sup>8</sup> The Economist (2009). Planned Obsolescence [online] Available at: <https://www.economist.com/node/13354332> [Accessed 22/04/2018]

- *WatchMods* provide an opportunity for the development of **discreet and unobtrusive** medical health sensors, such as non-invasive blood glucose sensors and electrocardiographs.

*The ModWatch Company* believes that these attributes make *ModWatch* an attractive technology for both investors and consumers, and provide a compelling argument in its favour.

## Technology

### Aspirations

*The ModWatch Company* aspires to be the designer and developer of the *ModWatch* itself, and intends to be involved with the manufacturing process in early stages - primarily the first few years.

*The ModWatch Company* will initially research, develop and design a range of *WatchMod Expansion Modules* to accompany the initial product release. At the point where a third party *WatchMod* producer community is established and sustainable, the company intends to scale back or cease production of in-house-designed *WatchMods* to focus on improvements to the whole ecosystem.

### Current Developmental State

At present, *The ModWatch Company* is primarily focused on the early stages of the Research and Development phase:

- *ModWatch* is currently in the conceptual design phase. Preliminary work is being carried out on electrical design. Early engineering prototypes of the *ModWatch* chassis have been produced.
- The *ModSlot Interface Standard* is in the conceptual design phase. At present, the electrical specifications have reached the preliminary design phase, and hardware specifications are undergoing early prototype production.
- The initial *WatchMod* functionality is in the research phase, aiming to soon producing a basic prototype module to demonstrate some functionality.

The company is also undertaking research into manufacturing options for the developed technologies.

### Anticipated Timescales

Timescale information is contained in detail in the “Business Plans” section of this document. Key timescales related to the hardware are as follows:

- Conceptual design to be completed by **Q3 2018**.
- Primary research and development to be complete by **Q2 2019**, culminating in a working prototype *ModWatch* and selection of *WatchMods*.
- Device certification completed by **Q4 2019** ahead of initial sales fulfilments.

- Any revisions required as a result of initial manufacturing to be implemented and certified by **Q1 2020** ahead of main production run.
- Development on *ModWatch* Edition 2 to commence from **Q1 2020** with an aim to reach device certification by **Q4 2020** and enter full scale production in **Q1 2021**.

## Marketing Strategy

### Overview of Strategy

The advantages of such a product are that it can simultaneously be targeted at multiple market sectors, giving a high probability of sales as well as an increased incentive for investment. *The ModWatch Company's* marketing strategy is based on the idea that *ModWatch* is a customisable product, and that the consumer does not have to buy a new *ModWatch* every time they would like to increase their watch's functionality. This is both an incentive for customers to buy our product, but also good for the environment, by reducing the number of electronic devices being disposed of.

### Target Markets

Although at the moment the UK wearable market is significantly smaller than it is in the US, statistics from recent years show that it has grown considerably. It is estimated that 3 million wrist-worn wearable products such as fitness bands and smartwatches were sold in the UK in 2015 - an increase of 118% from 2014, taking the total market size to 1.4 million devices.

In 2016, the wearable device market experienced a significant rise in terms of sales, especially for fitness products - for which demand is now on par with that of smartwatches.

Statistics from recent years suggest that future intent to buy wearables within the UK is 12.1% higher than the US, which means the modwatch will benefit potential sale boost from new as well as non-brand loyal buyers<sup>9</sup>.

UK consumers are also showing more and more interest in this market, demonstrated by the fact that 14% of the population now own or use some form of wearable technology. Moreover, in the 16-34 age group 13% own fitness bands and 6% own smartwatches.

*The ModWatch Company* therefore aims to target this age group - more specifically 18-35 years old. This also gives the company an advantage as our product will aim for middle class consumers, who are either willing to try new technology at an accessible price point or will likely want to experience the extra features of wearable devices<sup>10</sup>.

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<sup>9</sup> Lauren Guenveur (2017). Smartwatches fare better than fitness bands in Europe [online] Available at: <https://uk.kantar.com/tech/mobile/2017/january-great-britain-wearables-data/> [Accessed 23/04/2018]

<sup>10</sup> Mintel Press (2016). Brits step up to wearable technology [online] Available at: <http://www.mintel.com/press-centre/technology-press-centre/brits-step-up-to-wearable-technology-sales-of-fitness-bands-and-smartwatches-up-118-in-2015/> [Accessed 23/04/2018]

As ModWatch focuses on fitness and medical sensors, the company anticipates that the majority of its users will be students, businesspeople, adventure seekers, fitness enthusiasts and those in need of health monitoring.

Overall, with the smartwatch and wearable devices markets becoming more mainstream, the modwatch company has decided that the UK is a promising and beneficial market to launch the product during the 3 year plan.

## Route to Market

*The ModWatch Company* intends for *ModWatch* to be initially marketed in the UK, and then later in international markets such as the EU and US. The company has chosen the most efficient channels in order to place the product into the hands of the customer, taking into consideration the difference between the customer segments on demographic, behavioural, psychographic, and geographic levels. The company intends to use physical and online channels to interact with the market and drive sales:

### Website

*The Modwatch Company* needs to easily be found via search engines; as a small company it would not be able to devote a major effort to Search Engine Optimisation, but will do its best to rise up search ranks by encouraging visits on social media. The company owns <http://www.modwatch.co.uk> to make it easy to find our main online channel, and prime online store. It also provides a portal for the customers to gain insight about the updates released by the company, and send feedback about its products.

### Online Retailers

Using online retailers such as Amazon provides the natural benefit of reaching many more possible customers, as well as using the retailer's own shipping and packaging channels to make sales with less logistical cost to the company.

### Social Media

Social media is one of the most affordable and effective platforms that *The ModWatch Company* aims to use for marketing. The main strategy involves co-operating with products and services reviewers and tech bloggers<sup>11</sup> on social media, and interacting with members of online communities to introduce the product to the the public. The intention is to reach existing subscriber bases who are likely to be interested in *ModWatch*.

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<sup>11</sup> Some Tech bloggers the company plans to work with are:

- Marques Brownlee is a tech video blogger with over five million subscribers and has worked with apple, tesla and google.
- TechnoBuffalo is another popular tech video blogger with over a million subscribers who has done reviews on smartwatches such as the apple watch.
- RIZKNOWS is a video blogger with over three hundred thousand subscribers, who focuses on sports and outdoor technology and home goods products.

*The ModWatch Company* will also have an official presence on social media platforms which can be used to interact with consumers and inform them of any new updates, social events, and new releases or products.

## Online Advertising

Advertisements on social media will take a large portion of the company's allocated budget for advertising. *The ModWatch Company* has also identified YouTube as being one of the most effective advertising platforms due to its ability to reach the target market of 18-35 year olds and generate sales at cost-effective prices. Other advertising platforms such as Google AdSense and Facebook may also be used, as both use algorithms to advertise only for the customers it's targeting based on their age, gender, parental status, interests and their household income.

## Physical Channels

For physical outreach and marketing, *The ModWatch Company* intends to use live demonstrations of the product and presence at trade shows to inform the public about *ModWatch*, its core functionality and how it works.

## Sales Strategy

*The ModWatch Company* aims to make its products available to customers primarily through online channels.

For the first batch of 1000 *ModWatches*, the company will conduct sales through Kickstarter. This has been chosen as it allows the revenue for the products to be earned before production commences. Kickstarter is also an important platform to find early adopters as it hosts a broad range of new and ambitious products, particularly within the tech category.

The company will build and host an online store on its existing website at <http://www.modwatch.co.uk> where *ModWatch* and the *WatchMod* range will be available, plus accessories. This store will also host third party *WatchMods* as they become available, to make new expansion modules easily discoverable for consumers.

*The ModWatch Company* will also explore options for carriage of products by other retailers, (such as Amazon) in order to reach more prospective users, and through physical channels. Although it is not reasonable to expect to have physical sales from a startup company, once established *The ModWatch Company* will seek opportunities to retail *ModWatch* and *WatchMods* through established retailers such as Carphone Warehouse<sup>12</sup>.

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<sup>12</sup> Further possible examples of retailer shops: Tesco, Argos, John Lewis, Currys, M&S, Intersport, Debenhams.

## Competitive Advantage

*ModWatch* **provides users the ability to customise a device** according to their personal needs which cannot be found in any smartwatch today.

Similar technology present today already have in-built functionality and either fall in the area of smartwatches, fitness wearables or health monitoring, the *ModWatch* on the other hand, **caters to these three markets** while remaining reasonably priced at £259. This has been achieved with the use of expansion modules (*WatchMods*) and smart sensors which can be removed and replaced. These modules include body sensors, environmental sensors and feature modules. *Modwatches* can still be operated without the use of any *WatchMods*.

Health monitoring devices that serve more than one purpose are presently not common. *ModWatch* aims to provide **several health monitoring options in a single device** making life easier for those with medical conditions. Monitoring applications that would be available are: blood pressure monitors, hydration monitors, temperature monitors, glucometers, pulse oximeters, sleep pattern monitors, electrocardiograms and there is a potential for many more in the future.

*ModWatch* works entirely on its own, meaning it **needs zero support from phones** or other devices for a user to get the maximum use from it. Other similar and very popular technology in the market such as the Apple watch, LG watch sport and Samsung Gear sport, although can stand alone, require the use of phones to get most signal connections.

Additionally, phones can still be used with *Modwatches* if users choose to. *ModWatch* will use the Android wear operating system meaning it will already be compatible with most phones already.

A problem the company may face is that potential customers may prefer to buy a sole product rather than have to purchase other accessories to enjoy their *ModWatches* to the maximum. This may see us losing interested customers to already popular smartwatches as those mentioned before. However, as mentioned before *ModWatches* work perfectly without these modules; these modules are there just to augment the user experience and will only cost £12.99 each. However, depending on the modules technology this price may be subject to increase.

A potential threat to the company will be the emergence of technologies with similar concepts. There is already a smartwatch available which provides modularity with the use of wrist straps. The appearance of more of these new competitors may cause the company to see a loss of customers as they choose according to personal taste. For example, wrist straps may become a fashion craze in the future.

## Further Opportunities

*The Modwatch Company* team has formed a plan envisaging the company's future, the next markets it wants to expand into, upcoming potentials for the company to enter its niche audience, and a strategy to upgrade *ModWatch* and empower it more to compete against its competitors in the market.

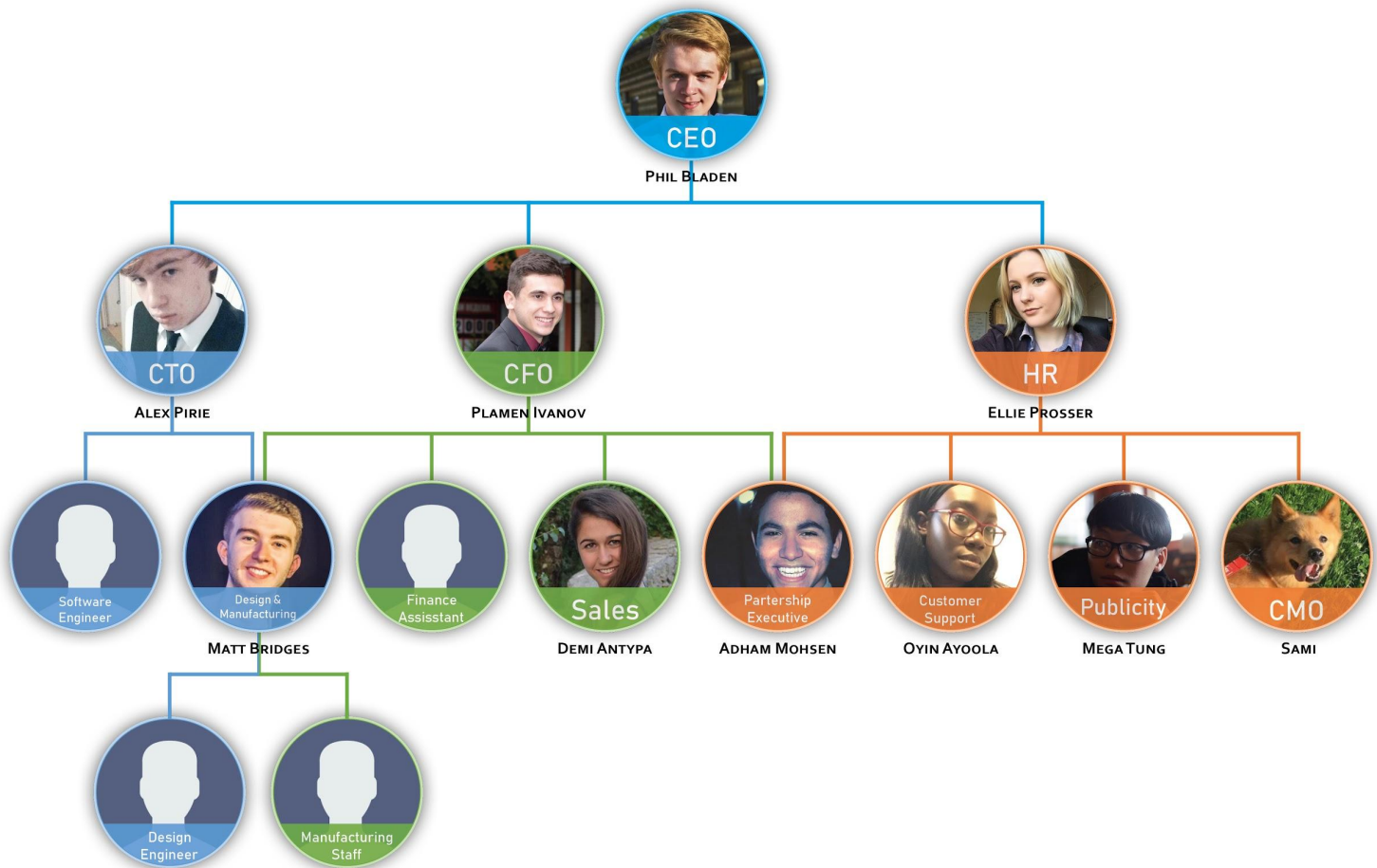
In order to be able to reach the maximum potential of the market for our product, the company's 3-year plan includes the future launch of a *ModWatch Edition 2* to be released as an upgrade for the original *ModWatch* in 2021. This edition is designed to include more varieties of the *ModWatch*. Future options for *ModWatch* products include:

- *ModWatch Pro* - A more advanced *ModWatch* having the ability to add or remove up to six interchangeable modules and smart sensors from the rear of the watch, allowing users to have extra functionality.
- *ModWatch Deluxe* - A more advanced version of the *ModWatch Pro* that is keeping the high functionality to the consumer, as well as offering more luxurious design being manufactured from far higher quality materials such as a titanium body, and the use of sapphire in the screen to introduce maximum scratch resistance.
- *ModWatch Band* - an unobtrusive, low cost bluetooth wristband with no screen which allows users to wear *WatchMods* and interact with them from a smartphone app.

# Business Organisation

## Company Structure

### ORGANISATIONAL STRUCTURE



Details of the responsibilities of each role can be found under the heading “Group Member Responsibilities” in the appendix.

## Physical Assets

There are three stages *The ModWatch company* will undergo when acquiring premises:

- During the start-up phase of the company, working from a **home environment** will ensure overhead costs remained low. This technique has proven to be very successful amongst other startup companies<sup>13</sup>.

<sup>13</sup>Business Pundit (2016). 11 famous garage startups that now rule the world [Online]. Available at: <http://www.businesspundit.com/11-famous-garage-startups-that-rule-the-world/> [Accessed 22/04/18]



- The company will later look to move into a **central operating office**, in which the whole team can be based, by September 2018. The location the office will be based in is Newcastle as this is the most cost effective part of the UK. It also has easily accessible transport links to deliver the products via the distribution channels. However, as the company is driving for all products to be assembled in the UK as a selling point, this will require laboratory facilities to be able to test and assemble the *ModWatch* within the office.
- In the future, the company will move into a larger **warehouse facility** that contains office space, an assembly line and a packaging area. This will coincide with the rising production of *ModWatch* parts that are coming in from the third part supplier when the main sales starts in 2020. The warehouse will therefore need to be bought by September 2019 which allows for sufficient time to test and setup the facility.

Another physical asset is the electronics equipment which will be bought under the company's name. This equipment will be used in testing (power supplies, oscilloscopes and function generators) for both research and development and the quality and control of the *ModWatch*. There is also computing hardware which will be bought that will be used by all employees for day to day activities. The last major physical assets belonging to the company is the current stockpile of *ModWatch* which includes the prototypes currently in research and the *ModWatch* themselves prior to dispatch.

## Other Assets

*The Modwatch Company* currently owns and will look to increase a number of key assets:

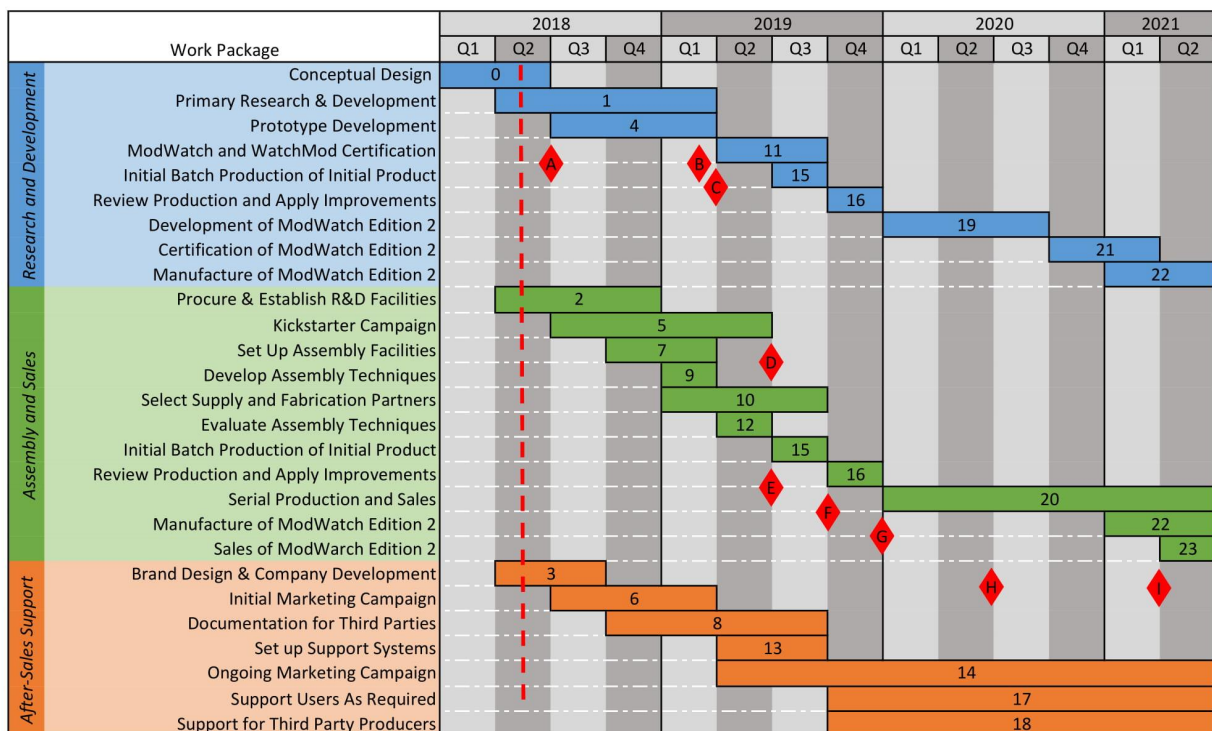
- The **web domain** <http://www.modwatch.co.uk> has already been purchased; other similar domain names which the company will seek to acquire include: *modwatch.net*, *mod.watch* and *modwatch.com*. The latter is already an active web domain that will need to be acquired from a trading company, this will be done at a later date when the financial situation allows for it.
- Obtain **registered trademark** status for *The Modwatch Company*, *ModWatch*, *WatchMod* and *ModSlot* - these will be bought at the earliest available time to secure the relevant name to start operating under. The category of classes which the trademark will apply under include electronic devices, medical instruments, telecommunication services and scientific and technology services (classes 9, 10, 38 and 42).
- To protect the intellectual property of the company **patents** will be applied for. Each patent will be in the company's name. The main and initial patent that will be applied for is the design of the *ModSlot Interface System* within *ModWatch* - which may then be licensed to third-party WatchMod producers.

# Business Plans

## Three Year Plan

The ModWatch Company's three year plan is shown below; a larger version can be found in the appendices. Work Packages are shown separated into three concurrent flows - **Research and Development**, **Assembly and Sales**, and **After-Sales Support** - mirroring the areas of activity of the company. Work packages are numerically identified in chronological order - these cross-reference to the "Work Packages" section of this document for more information. Key business milestones are illustrated on the diagram a red diamonds, with alphabetical references which relate to the "Key Milestones" section of this document.

The current location on the plan is illustrated with the red dashed line.



## Business Milestones

- A. Seed Funding Raised**, July 2018 - seed funding is intended to fund the initial research and development phase.
- B. ModSlot Interface System and WatchMod Concepts Finalised**, February/March 2019 - Alongside Milestone C, validates the modular concept of the system. Feeds into documentation efforts for establishment of third party WatchMod Developer Community.

- C. Initial *ModWatch* Working Prototype Completed**, April 2019 - Alongside Milestone B, proof of concept of the whole system. Important for investor confidence and to drive initial sales as per Milestone D.
- D. Funding Raised through crowdfunding (Kickstarter)**, July 2019 - intended as a guaranteed pre-order system more than investment. Funds raised will finance the first batch of production.
- E. Assembly Techniques Validated**, July 2019 - Required in preparation for assembly of devices in first batch of production.
- F. First 1000 Devices Delivered To Customers**, October 2019 - Intended to meet any commitments from the Kickstarter campaign.
- G. Commence Continuous (Serial) Production Run And Sales**, January 2020 - To meet remaining commitments from Kickstarter campaign and new sales.
- H. First Third Party *WatchMods* To Market**, July 2020 - Intended to complement the company's own *ModWatches* in order to drive demand for *ModWatch Edition 2*.
- I. *ModWatch Edition 2* To Market**, NET April 2021 - Exact timings subject to review, dependent on product performance.

## Financial Plans

### Expenditure and Outgoing Costs

*The ModWatch Companies* initial main outgoing cost is the resources required to build, produce and assemble the *ModWatch* for the second year is £1,071,900. This then increases into the third year which totals at £3,597,000. The amount of resources required will continue to grow with the increased demand for the *ModWatch*.

From the second year onwards taxes apply to the company. The cumulative total that apply to the company and the amount payable is £386,120. Moving on to the third year the increased amount payable is £926,688. Again this will grow in accordance with the profit of the company.

The vision of the company to continually improve the operating facilities means the expenditure of rent rises year on year. The initial rent payable is £4,768 in the home environment. However, when the central operating office is moved into in year two the total payable rent for the second year is £16,480. Then final for year rent is £24,000 which is when the company moves into the warehouse facility.

### Revenue Streams

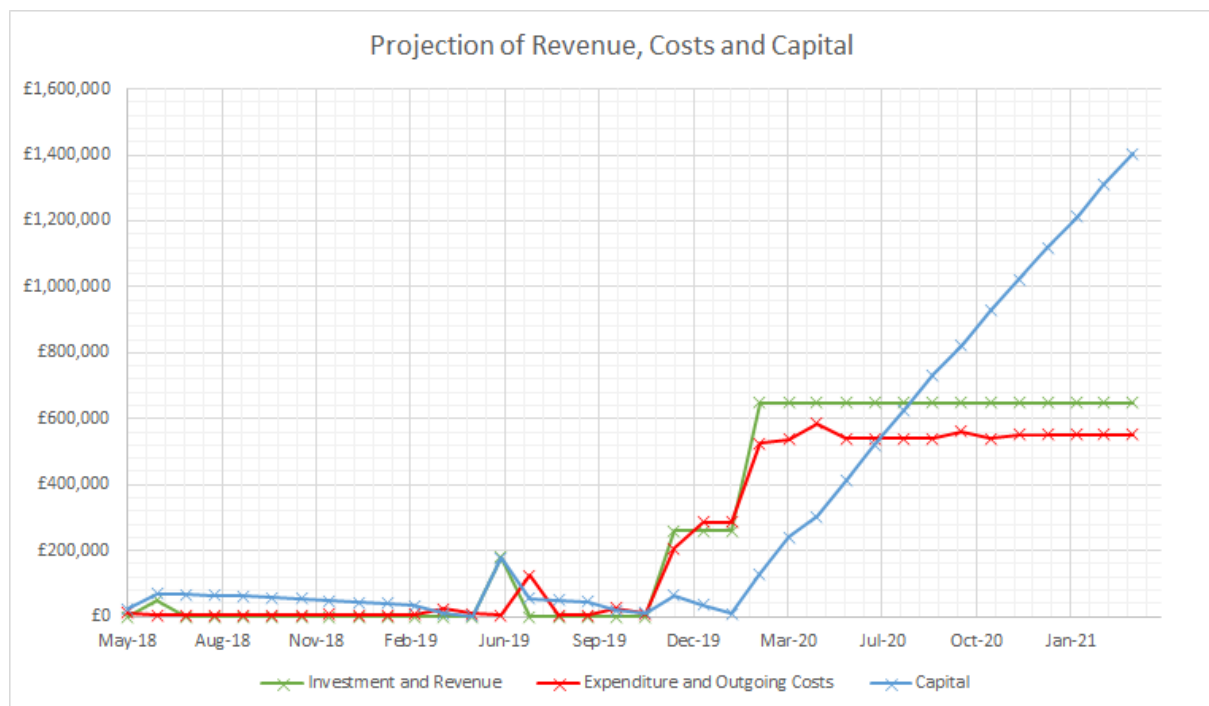
The initial funding *The ModWatch Company* will receive is from a Kickstarter campaign that runs from July 2018, for a year to July 2019. The amount that will be asked for is £180,000. This income funding will provide a full costing to produce the initial batch of 1000 *ModWatches*.

Once the initial batch have been produced and the assembly and packaging process have been optimised the *ModWatch* can be released for sale. The sale of *ModWatches* will be a main driver of income that starts from January 2020 and continues for 2 years. The total cash sales from December 2019 to April 2020 are £2,072,000 allowing a continual sale of new *ModWatches* and *WatchMods* but also funding new research and development projects.

Another way of continuing the flow of revenue alongside the sale of *ModWatches* is by selling individual *WatchMod Expansion Modules*. The individual price varies depending on the *WatchMod's* functionality and manufacturing cost. However, the profit made from the sales of *WatchMods*, which starts on January 2020, will be £480,000 over the first year of serial production. Although, to prevent a tail off of *WatchMods* the license needed to design, manufacture and sell *WatchMods* will be sold to external companies. The timing of this will occur on July 2020. This licence fee will provide additional funding whilst also continuing the demand for a new updated *ModWatch*.

As the demand for the original *ModWatch* levels off the a new updated *ModWatch2* will be released in April 2021. This is a long term, future revenue to continue the drive of income allowing for further growth of the company.

## Projections



The following graph of Projection of Revenue, Costs and Capital shows an initial investment spike with a flat expenditure cost. Then on June 2019 there is income from the Kickstarter campaign which allows for a spike in expenditure which is being spent on the initial first 1000 batch of *ModWatches*. The next big activity occurrence happens at November 2019 when the initial pre-orders of the first set of *ModWatches* are released. There are two increases in

both investment and expenditures these are down to the increase in unit production from 1000 units a month to 2500 units a month. The amount of capital then increases as there is constant profit being made from profit margin of the *ModWatch on sale*.

Appendices

Financial Plans

TWELVE MONTH CASH FLOW															
The ModWatch Company															
Fiscal Year Begins: May-18															
May-18		Jun-18		Jul-18		Aug-18		Sep-18		Oct-18		Nov-18		Dec-18	
May-18		Jun-18		Jul-18		Aug-18		Sep-18		Oct-18		Nov-18		Dec-18	
Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
35,000.00	0.00	22,967.00	0.00	70,134.00	0.00	67,301.00	0.00	64,268.00	0.00	60,339.00	0.00	57,610.00	0.00	54,281.00	0.00
Start on Hand (beginning of month)															
CASH RECEIPTS															
Cash Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Collections fr CR accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan other cash in	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
TOTAL CASH RECEIPTS	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
Total Cash Available (before cash out)	35,000.00	72,967.00	0.00	70,134.00	0.00	67,301.00	0.00	64,268.00	0.00	60,339.00	0.00	57,610.00	0.00	54,281.00	0.00
CASH PAID OUT															
Purchases (merchandise)	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
Purchases (resources)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
Purchases (equipment)	1,000.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	2,100.00
Gross wages (exact withdrawal)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payroll expenses (taxes, etc.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outside services	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Supplies (office & oper.)	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,300.00
Repairs & maintenance	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,800.00
Car delivery & travel	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Accounting & legal	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	830.00	9,960.00
Rent	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	4,760.00
Telephone	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
Utilities	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	194.00	2,320.00
Insurance	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Taxes (real estate, etc.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses (internet)	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	560.00
Other (device testing and certification)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Other (amazon retailing cost)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
SUBTOTAL	7,433.00	2,233.00	0.00	2,233.00	0.00	2,433.00	0.00	2,729.00	0.00	2,729.00	0.00	2,729.00	0.00	2,729.00	0.00
Loan principal payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital purchase (computers)	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
Other startup costs	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Reserve and/or Escrow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Owners' Withdrawal	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
TOTAL CASH PAID OUT	12,033.00	2,833.00	0.00	2,833.00	0.00	3,033.00	0.00	3,329.00	0.00	3,329.00	0.00	3,329.00	0.00	3,329.00	0.00
Cash Position (end of month)	22,967.00	70,134.00	0.00	67,301.00	0.00	64,268.00	0.00	60,339.00	0.00	57,610.00	0.00	54,281.00	0.00	51,552.00	0.00



## TWELVE MONTH CASH FLOW

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The ModWatch Company

Fiscal Year Begins:

May-19

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	Total Year					
May-19	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual				
Cash on Hand (beginning of month)	9,336.00	0.00	1,307.00	0.00	177,578.00	0.00	53,949.00	0.00	45,359.00	0.00	18,744.00	0.00	63,215.00	0.00	129,943.00	0.00	9,336.00	0.00
CASH RECEIPTS																		
Cash Sales	0.00		0.00		0.00		0.00		259,000.00		647,500.00		2,072,000.00		0.00	0.00	0.00	0.00
Collections fm CR accounts	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00	0.00	0.00
Loan/ other cash in	0.00		180,000.00		0.00		0.00		0.00		0.00		180,000.00		0.00	180,000.00	0.00	0.00
TOTAL CASH RECEIPTS	0.00	0.00	180,000.00	0.00	0.00	0.00	0.00	0.00	0.00	259,000.00	0.00	647,500.00	0.00	2,252,000.00	0.00	0.00	2,252,000.00	0.00
Total Cash Available (before cash out)	9,336.00	0.00	181,307.00	0.00	177,578.00	0.00	53,949.00	0.00	45,359.00	0.00	18,744.00	0.00	32,215.00	0.00	295,131.00	0.00	2,261,336.00	0.00
CASH PAID OUT																		
Purchases (merchandise)	300.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		300.00	0.00
Purchases (resources)	0.00		0.00		0.00		0.00		119,000.00		297,500.00		1,071,900.00		0.00	1,071,900.00	0.00	0.00
Purchases (equipment)	100.00		100.00		100.00		20,000.00		1,000.00		1,000.00		1,000.00		1,000.00		26,500.00	0.00
Gross wages (exact withdrawal)	0.00		0.00		0.00		0.00		0.00		25,850.00		5,000.00		5,000.00		61,700.00	0.00
Payroll expenses (taxes, etc.)	0.00		0.00		0.00		0.00		0.00		5,170.00		1,000.00		5,170.00		12,340.00	0.00
Outside services	100.00		100.00		100.00		100.00		2,225.00		2,225.00		2,225.00		2,225.00		11,825.00	0.00
Supplies (office & oper.)	0.00		0.00		500.00		500.00		500.00		500.00		1,000.00		1,000.00		4,300.00	0.00
Repairs & maintenance	50.00		50.00		50.00		50.00		1,000.00		1,000.00		1,000.00		1,000.00		5,350.00	0.00
Advertising	200.00		200.00		500.00		500.00		1,000.00		2,000.00		2,000.00		2,000.00		9,600.00	0.00
Car, delivery & travel	100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		1,200.00	0.00
Accounting & legal	830.00		830.00		830.00		830.00		830.00		2,000.00		2,000.00		2,000.00		14,640.00	0.00
Rent	496.00		496.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		16,480.00	0.00
Telephone	10.00		10.00		10.00		24.00		24.00		24.00		24.00		24.00		216.00	0.00
Utilities	194.00		194.00		430.00		430.00		430.00		430.00		430.00		430.00		3,960.00	0.00
Insurance	500.00		500.00		500.00		500.00		50,000.00		50,000.00		50,000.00		50,000.00		204,000.00	0.00
Taxes (real estate, etc.)	0.00		0.00		0.00		0.00		77,224.00		77,224.00		77,224.00		77,224.00		386,120.00	0.00
Interest	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Other expenses (internet)	49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		568.00	0.00
Other (device testing and certification)	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Other (amazon retailing cost)	0.00		0.00		32.00		32.00		32.00		32.00		32.00		32.00		46,224.00	0.00
Miscellaneous	100.00		100.00		500.00		500.00		500.00		500.00		500.00		500.00		4,000.00	0.00
SUBTOTAL	3,029.00	0.00	2,729.00	0.00	122,629.00	0.00	3,929.00	0.00	25,615.00	0.00	205,914.00	0.00	264,084.00	0.00	467,604.00	0.00	1,881,465.00	0.00
Loan principal payment	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Capital purchase (computers)	4,000.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		4,000.00	0.00
Other startup costs	500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		6,000.00	0.00
Reserve and/or Escrow	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Owners' Withdrawal	500.00		500.00		500.00		500.00		500.00		57,500.00		22,500.00		22,500.00		129,000.00	0.00
TOTAL CASH PAID OUT	8,029.00	0.00	3,729.00	0.00	123,629.00	0.00	4,929.00	0.00	26,615.00	0.00	206,914.00	0.00	267,084.00	0.00	525,604.00	0.00	2,020,465.00	0.00
Cash Position (end of month)	1,307.00	0.00	177,578.00	0.00	53,949.00	0.00	45,359.00	0.00	18,744.00	0.00	11,129.00	0.00	36,131.00	0.00	8,047.00	0.00	240,871.00	0.00

## TWELVE MONTH CASH FLOW

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The ModWatch Company

Fiscal Year Begins:

May-20

	May-20		Jun-20		Jul-20		Aug-20		Sep-20		Oct-20		Nov-20		Dec-20		Jan-21		Feb-21		Mar-21		Apr-21		Total Year			
	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual		
Cash on Hand (beginning of month)	240,871.00	0.00	302,874.80	0.00	411,052.80	0.00	519,230.80	0.00	626,408.80	0.00	733,586.80	0.00	820,764.80	0.00	927,942.80	0.00	1,023,120.80	0.00	1,118,298.80	0.00	1,213,476.80	0.00	1,308,654.80	0.00	240,871.00	0.00		
CASH RECEIPTS																												
Cash Sales	647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		647,500.00		7,770,000.00	0.00
Collections fm CR accounts	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Loan/ other cash inf.	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
TOTAL CASH RECEIPTS	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	647,500.00	0.00	7,770,000.00	0.00
Total Cash Available (before cash out)	888,371.00	0.00	950,374.80	0.00	1,058,552.80	0.00	1,166,730.80	0.00	1,273,908.00	0.00	1,381,086.00	0.00	1,468,264.80	0.00	1,575,442.80	0.00	1,670,620.00	0.00	1,765,798.00	0.00	1,860,976.00	0.00	1,956,154.00	0.00	1,956,154.00	0.00	8,010,871.00	0.00
CASH PAID OUT																												
Purchases (merchandise)	100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		1,200.00	0.00
Purchases (resources)	299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		299,750.00		3,597,000.00	0.00
Purchases (equipment)	1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		12,000.00	0.00
Gross wages (exact withdrawal)	25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		25,850.00		360,200.00	0.00
Payroll expenses (taxes, etc.)	5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		5,170.00		72,040.00	0.00
Outside services	2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		2,225.00		26,700.00	0.00
Supplies (office & oper.)	500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		6,000.00	0.00
Repairs & maintenance	1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		1,000.00		12,000.00	0.00
Advertising	2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		33,000.00	0.00
Car, delivery & travel	500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		6,000.00	0.00
Accounting & legal	2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		24,000.00	0.00
Rent	2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00		24,000.00	0.00
Telephone	24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		24.00		288.00	0.00
Utilities	430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		430.00		5,160.00	0.00
Insurance	50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00		600,000.00	0.00
Taxes (real estate, etc.)	77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		77,224.00		926,688.00	0.00
Interest	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Other expenses (internet)	49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		49.00		598.00	0.00
Other (device testing and certification)	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		20,000.00	0.00
Other (amazon retailing cost)	46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		46,000.00		552,000.00	0.00
Miscellaneous	500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		6,000.00	0.00
SUBTOTAL	516,322.00	0.00	516,322.00	0.00	516,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	517,322.00	0.00	6,284,864.00	0.00
Loan principal payment	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
Capital purchase (computers)	15,000.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		15,000.00	0.00
Other startup costs	500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		500.00		6,000.00	0.00
Reserve and/or Escrow	31,174.20		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		31,174.20	0.00
Owner's Withdrawal	22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		22,500.00		270,000.00	0.00
TOTAL CASH PAID OUT	585,496.20	0.00	539,322.00	0.00	539,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	540,322.00	0.00	6,607,038.20	0.00
Cash Position (end of month)	302,874.80	0.00	411,052.80	0.00	519,230.80	0.00	626,408.80	0.00	733,586.80	0.00	820,764.80	0.00	927,942.80	0.00	1,023,120.80	0.00	1,118,298.80	0.00	1,213,476.80	0.00	1,308,654.80	0.00	1,403,832.80	0.00	1,403,832.80	0.00	0.00	0.00

External editions of the financial plans can be found at:  
[www.modwatch.co.uk/documents/finance](http://www.modwatch.co.uk/documents/finance)



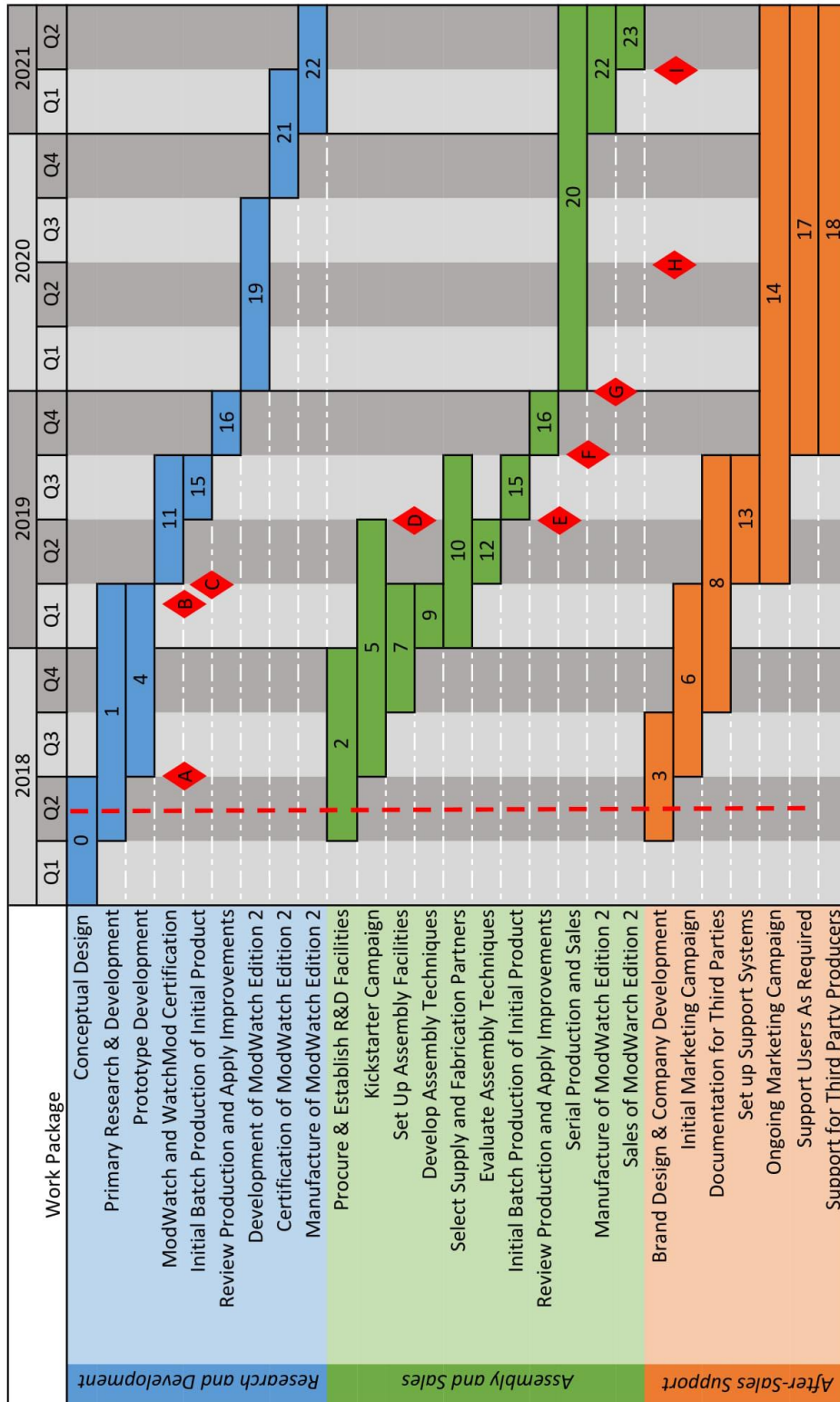
## Meeting Minutes

The recorded minutes to our team meetings can be found in PDF format online at:

<http://www.modwatch.co.uk/documents/minutes>

## Three Year Plan - Further Detail

### The Plan

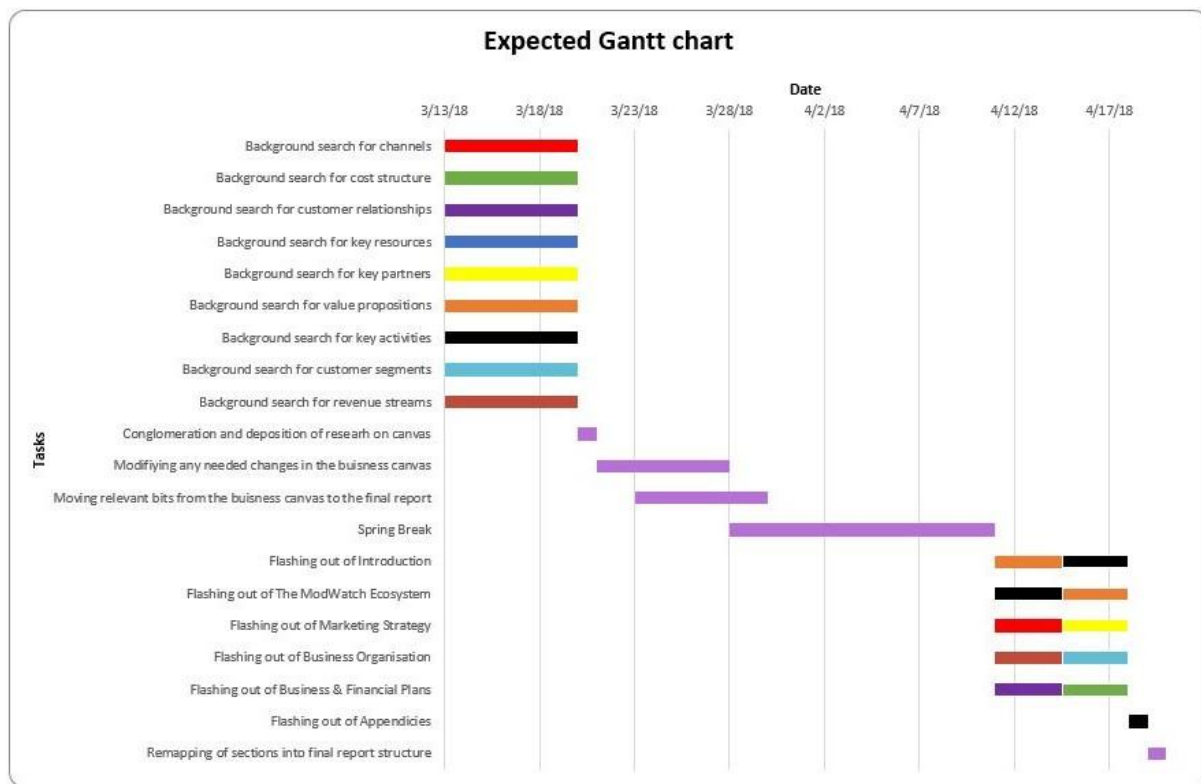


## Description of Work Packages

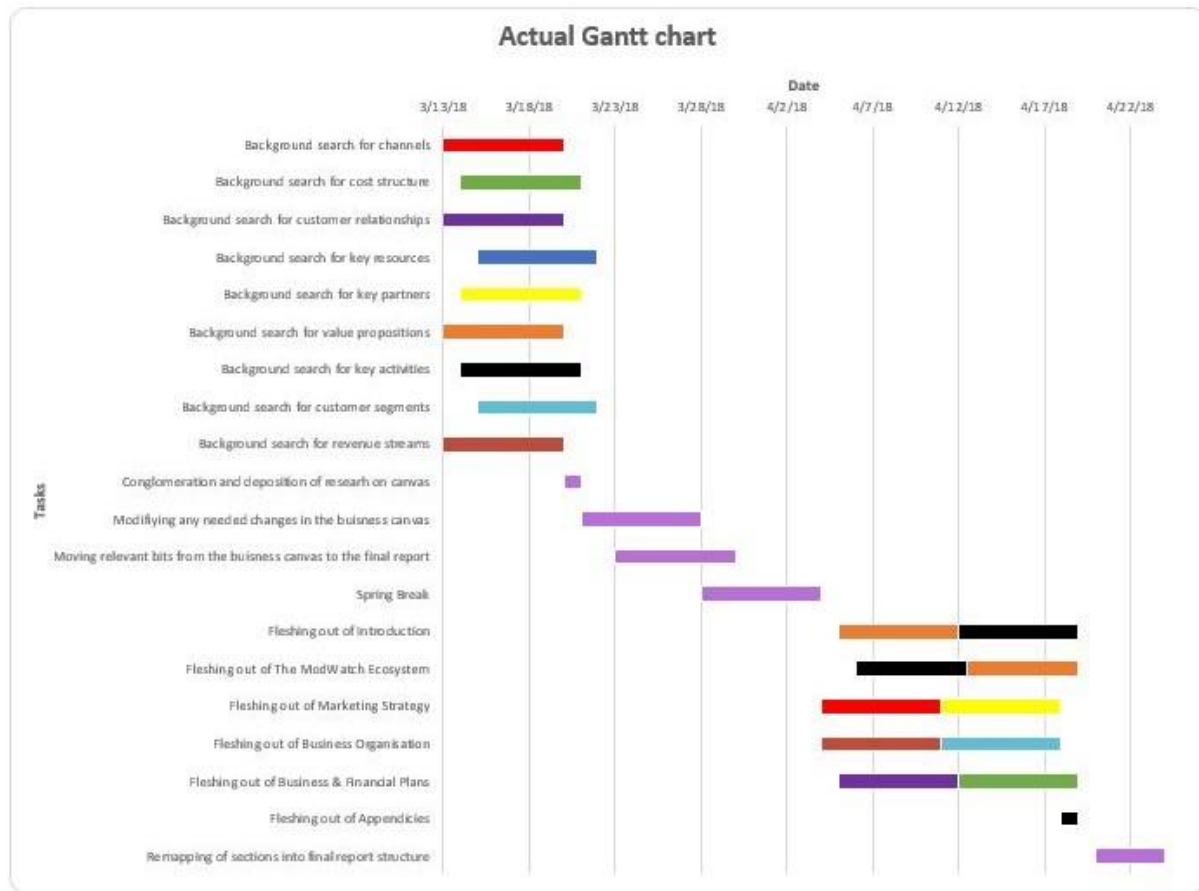
Work Package	Duration	Due	Description	
0	Conceptual Design	6 months	Q3 2018	Initial design work for concept to gain investment
1	Primary Research & Development	12 months	Q2 2019	Research and development efforts into <i>ModWatch</i> options, <i>ModSlot Interface Standard</i> , <i>ModWatch</i>
2	Procure & Establish R&D Facilities	9 months	Q1 2019	Find property to set up facilities, sequentially outfit facilities to meet needs
3	Brand Design & Company Development	6 months	Q4 2018	Work on <i>The ModWatch Company's</i> image and core values
4	Prototype Development	9 months	Q2 2019	Culminates with working prototype <i>ModWatch</i>
5	Kickstarter Campaign	12 months	Q3 2019	Generate initial sales ahead of time - will go on to fund initial batch production
6	Initial Marketing Campaign	9 months	Q2 2019	Campaign to raise awareness of <i>The ModWatch Company</i> and its products. Aim is to generate enthusiasm for product release.
7	Set Up Assembly Facilities	6 months	Q2 2019	Establish facilities for assembling finished subassemblies into final product and packaging
8	Documentation for Third Parties	12 months	Q4 2019	Aim to produce comprehensive documentation on the system and the <i>ModSlot Interface Standard</i> for third parties
9	Develop Assembly Techniques	3 months	Q2 2019	Develop and validate assembly techniques and testing and quality control measures before production
10	Select Supply and Fabrication Partners	9 months	Q4 2019	Seek bids related to component supply and sub assembly manufacture, including PCB design and assembly and machining
11	<i>ModWatch</i> and <i>WatchMod</i> Certification	6 months	Q4 2019	Certify <i>ModWatch</i> and <i>WatchMods</i> to meet FCC and CE specifications on EMC, device safety etc
12	Evaluate Assembly Techniques	3 months	Q3 2019	Ensure that techniques are sufficient to give a good result
13	Set up Support Systems	6 months	Q4 2019	Establish systems with partners for product support and warranty service - including establishing customer support department

14	Ongoing Marketing Campaign	ongoing	n/a	General campaign to reach as many people in target markets as possible
15	Initial Batch Production of Initial Product	3 months	Q4 2019	Batch production (1000) to meet initial obligations and serve as a test run for the entire supply and assembly chain
16	Review Batch Production and Apply Lessons Learned	3 months	Q1 2020	Review assembly techniques for future reference, identify any manufacturing issues or flaws to be designed out in next iteration. Implement improvements wherever needed
17	Support Users As Required	ongoing	n/a	Be ready to provide swift customer support to users
18	Support for Third Party Producers	ongoing	n/a	Work to establish third party <i>WatchMod</i> developer community through outreach to companies and support within the ecosystem
19	Development of <i>ModWatch Edition 2</i>	9 months	Q4 2020	Development work on next version of <i>ModWatch</i> . To take into account all lessons learned, apply innovations and reach new markets.
20	Serial Production and Sales	ongoing	n/a	Continuous production and sales to meet demand
21	Certification of <i>ModWatch Edition 2</i>	6 months	Q2 2021	Certify <i>ModWatch2</i> and any new <i>WatchMods</i> to meet FCC and CE specifications on EMC, device safety etc. Help third parties certify products.
22	Manufacture of <i>ModWatch Edition 2</i>	6 months	Q3 2021	Continuous production of <i>ModWatch2</i> alongside <i>ModWatch</i> initially. Original product to be phased out once new products validated.
23	Sales of <i>ModWarch Edition 2</i>	ongoing	n/a	Sales to continue into the immediate future

## Gantt Chart of Planned Timescales



## Gantt Chart of Actual Timescales



## Gantt Chart Colour Coding Table

Member	Colour
Adham	Red
Plamen	green
Ellie	purple
Matthew	blue
Oyinkansola	yellow
Philip	orange
Alex	black
Duong	aqua
Dimitra	brown
All team	violet

## Description of Work Packages

- Background search for channels, cost structure, customer relationships, key resources, key partners, value propositions, key activities, customer segments, and revenue streams
- Conglomeration and deposition of research on business canvas
- Modifying any needed changes in the business canvas
- Moving relevant bits from the business canvas to the final report
- Fleshing out of Introduction, The ModWatch Ecosystem, Marketing Strategy, Business Organisation, Business & Financial Plans, Fleshing out of Appendices, Remapping of sections into final report structure
- Remapping of sections into final report structure

## Group Member Responsibilities

- Dimitra is responsible for the sales and has contributed to the sales strategies and financial plans of *ModWatch*.
- Oyinkansola is responsible for customer support and outlined the competitive advantages of the company.
- Philip is the CEO (Chief Executive Officer) and creator of *ModWatch*. He has worked tirelessly to make his vision a reality with high quality renders and fine details in the plan and has contributed to all parts of the project.
- Matthew is responsible for design and manufacturing. He sourced and outlined physical and other Assets owned by *The ModWatch Company* along with the third party services used. Then also highlighted key expenditure and revenue streams for the company.
- Plamen is the Chief Financial Officer and contributed to the financial plans for the first three fiscal years. He has also
- Adham is the Partnership Executive and is responsible for coordinating with our partners. He has spent a significant amount of time working on the customer channels.
- Duong is the head of the Publicity department who is responsible for researching suitable market and customer segment.
- Alexander is the CTO of ModWatch and is responsible for outlining the product architecture. He has developed a description of the *ModWatch* and worked on details related to the feasibility of the product. He has also outlined the three year plan necessary to turn *ModWatch* into a reality.
- Eleanor is responsible for human resources and is responsible for the organisation of the team and assisted the finance department with the financial plans for the first three fiscal years