



## Business Plan

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## EXECUTIVE SUMMARY

### What is E-Wrist?

E-wrist is a project created to provide innovative solutions and improve the experience of live music festivals. Our product are wristbands supported by NFC technology and a mobile App, to facilitate access control and payment logistics during music festivals. Our bracelets are produced with recycled materials.

Our services also include maintenance and data monitoring to create a database to help to our clients improve the logistics and their marketing efforts.

### Mission

Our mission is to improve the experience of live music festivals and events for both attendants and event organizers through the new technologies.

### Vision

Our vision is to become a reference in the market for our innovative technological solutions in the music festivals industry, both nationally and internationally.

### What is the problem?

The main problem in music festivals is Logistics. However, we are going to differentiate between the problems for the final users (or attendees) and for the organizers (our clients):

For attendees	For organisers
<ul style="list-style-type: none"><li>• Dissatisfaction due to long lines wait when they want to enter the festival and to consume</li><li>• Old fashioned payment way. Final users must carry cash to consume in the precinct. This fact cause unsafe feelings and it could be very uncomfortable carry the wallet while they are enjoying the event</li></ul>	<ul style="list-style-type: none"><li>• Problems with control access</li><li>• They do not have a reliable method to create data which could be used to improve the logistic.</li></ul>

### **What are they doing about these issues?**

Some music festivals are already using NFC Technology, but many are not. So they are using wristbands without NFC just to identify the attendees. Therefore, these wristbands do not have the functionalities our product has.

When organizers want to obtain data about the logistic as could be the stock level or the earnings in real time, they do not have an automatic system which store the information in a data basis, ss our product perform.

### **What is our proposal?**

Our solution is to implement NFC wristbands in music festivals. Our product solves the problems presented before, for both the final users and organizers. All functionalities are broadly explained in the final paper, but here is a summary:

For attendees	For organisers
<ul style="list-style-type: none"> <li>● Cashless payment system;</li> <li>● Prevents money loses or thefts;</li> <li>● Reduces waiting time.</li> </ul>	<ul style="list-style-type: none"> <li>● Easier access control;</li> <li>● Big Data (capacity, sales control in real time...)</li> <li>● Cashless payment system.</li> <li>● No connectivity needed, works with a internal network to avoid failures with the internet connectivity;</li> <li>● Customized wristbands;</li> </ul>

### **Our Target**

#### **a) Music Festivals Organizers, Event Planners & Music Industry Businesses**

- Concerns about the event logistics, access control, hiring staff and monitoring performance, controlling the points of sales incomes;
- Worries about not having enough liquidity when making purchases or hiring suppliers during the organization of the event.

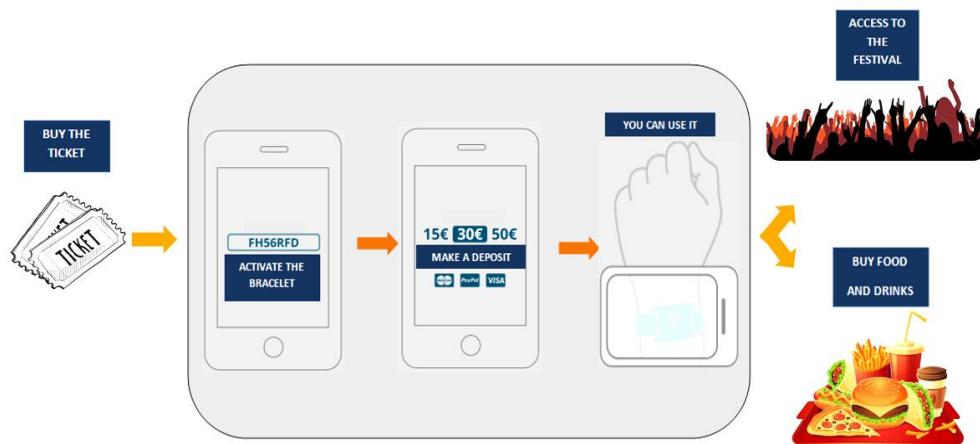
#### **b) Final Users**

Although Final Users do not pay for our products or services, we must also consider them when assessing and planning our marketing strategies.

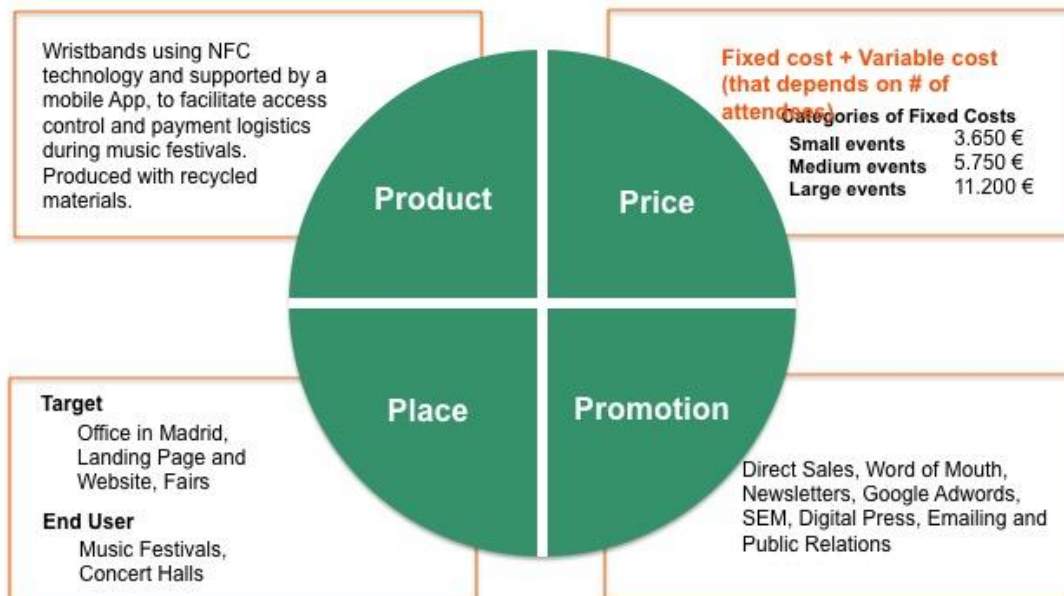
- Has had negative experiences carrying the wallet to Festivals and prefers other cashless means of payment;
- Finds it frustrating to wait in long lines to access the events, buy food and beverages or to use the services.

### Customer Journey

To develop the customer journey we focused on the experience of the Final User instead of our client, because this allows us to explain better how our product works and how it interacts with the users.

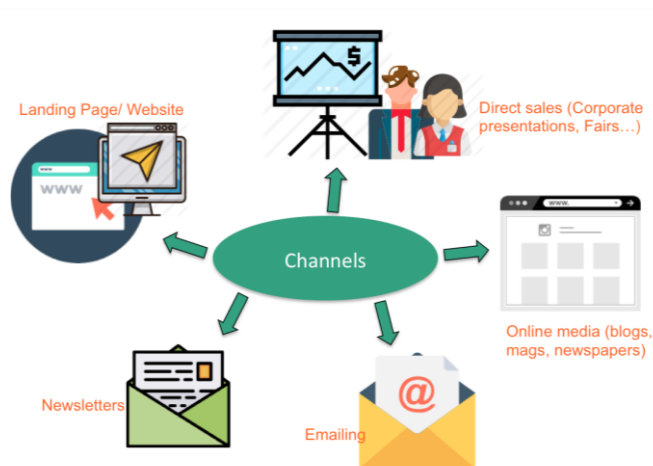


### Marketing Mix



## Distribution Channels

Although Marketing is fundamental, during the first year we will not make a large investment in this area. Over the years the marketing investment may increase, becoming more dependent on sales. This investment design allows an initial minimum investment, when even sales have not grown too much. To reach our potential clients, we will use the following **B2B communication channels**:



## Financial Plan

The product we are selling will be a logistic service based on the optimization of the payment method and the access to the enclosure. The service will have both a fixed and variable cost.

The variable cost will directly depend on the number of assistants, and the fixed one, on the size of the event. We will work with three different sizes: Small (>5.000 assistants), Medium (5.000 – 50.000 assistants) and Large (>50.000).

We have taken into account three festivals as examples to develop the financial plan. A small festival, a medium one and a large one. On the following table, we can observe the price at which we will be selling each package and, also, the range we will be obtaining:

	Nº of assistants	Fixed price	Variable price	Total price	Profit
<b>Small</b>	4.000	3.650 €	3.321 €	<b>6.971 €</b>	1.500 €
<b>Medium</b>	20.000	5.750 €	9.453 €	<b>15.203 €</b>	2.000 €
<b>Large</b>	50.000	11.200 €	22.299 €	<b>33.499 €</b>	3.700 €

The sales plan consists on increasing the number and size of the managed festivals. This way, at the end of the first exercise (October 2018-September 2019), we expect to have invoiced **302.690€**, which correspond to: 12 small festivals, 10 medium ones and 2 large ones. On the second exercise, we expect an increase on the sales by raising up to **502.833€**.

However, the associated costs are very important, so by the end of the first exercise, there won't be any profit for our company. However, once the main expenses and investments have been done and the business has been well developed and settle, the profits will highly increase and **by the end of the second exercise will be 29.191€**.

The **net worth** (given by us as an initial investment) will be **8.000€**.

After the financial analysis, **we have detected the need of an external finance of 68.000€**. This will help avoid a negative balance on the liquidity. This number is equivalent to 10 months of our salary.

It is important to note that the debt level will be that of 96,4% during the first exercise and 69,1% by the end of the second one. Also, some data of interest are: **3,04 years of Payback, 91,8% of ROE (Return On Equity) and 51,4% of ROI (Return On Investment) for the second year of activity.**



## *E-Wrist Team*



**Jessenia Elizabeth Bello Castro**, CMO (Chief Marketing Officer) and CSO (Chief Sustainability Officer). Publicist by profession with a Master degree in Sustainability and Corporate Responsibility. Her life has always been linked to creativity, leadership and social service. She has experience organizing corporate events and building relationships with clients from the private, public and non-profit sectors. These qualities added to her business trajectory and communication skills are a differential factor to position herself as a relevant person within E-Wrist, as CMO and Sustainability Executive.



**Pablo Miguel Martínez Cárdenas**, CTO (Chief Technology Officer). Electrical Engineer, with a Master degree in Renewable Energies and Energy Market. Current consultant at Arcadis, international building consultancy. Pablo is used to work hard, and has a good communication and technological skill thanks to the experience gains though the university and working time. This features are perfect to develop the position as CTO. Responsible of the design and management of the software development and mobile phone app, big data analysis and preparation of predictive models.



**Álvaro Monterde Ortega**, CFO (Chief Financial Officer). Energy Engineer, with a Master degree in Renewable Energies and Energy Market. Currently he is working at Gesternova, S.A. as electrical market analyst. Álvaro is a very methodical worker and has good analytical skills. He is the responsible of the finance study of the project. Due to the business studies he has passed through, he is very capable of optimizing the financial structure.



**Virginia Méndez García**, responsible of purchase management of the wristbands and equipment renting. Mechanical Engineer, with a Master degree in Renewable Energies and Energy Market. Virginia has a good analytical and communicative skill. She manages the transport logistics of the wristband and the equipment between our office and the event

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## **OPERATIONS PLAN**

### ***NFC history and business introduction***

Although the first credit and debit cards were seen in the 1950s in the Diners Club. It was not until the early 1990s that the closed-loop cashless systems began to spread around the world. These new “smart cards” served as electronic purses that could be used to purchase things without the need for network connectivity. Soon enough, aside from purchasing, these smart cards took over office settings in the form of access control as they could be used to prove the identification of the customer.

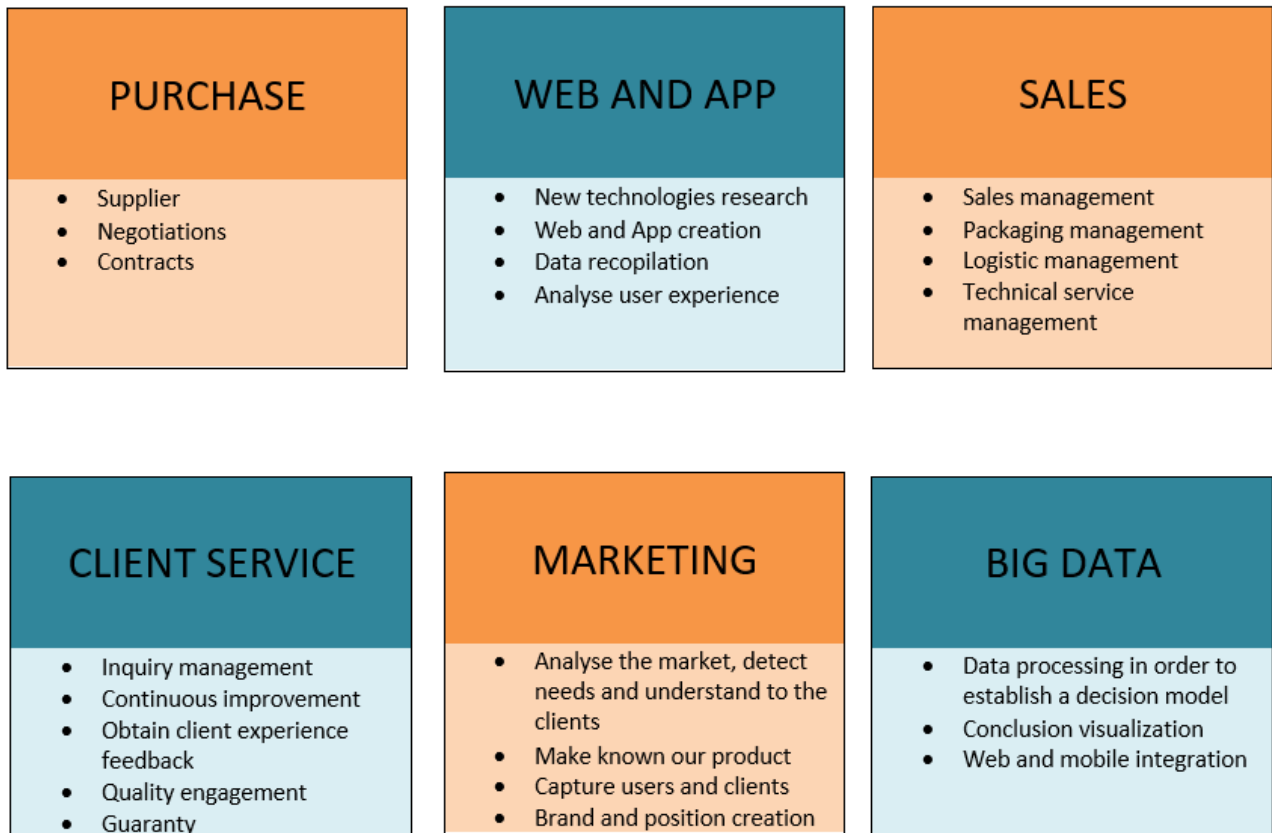
Skip to the late 2000s and beginning of 2010s, cashless payments form now a key component of your day to day. With immense developments in Near-Field Communications (NFC) we have transitioned to a new trend of letting intermediaries to handle our transactions. For example, we rely on digital wallet systems, NFC payments done through a phone, and more importantly, doing all of our financial operations through mobile applications.

The event industry has gone through many changes in their payment technologies. Use of cash, tokens, and credit/debit cards has always been the standard. Recently, this has changed a lot as more and more events from all industries choose to use cashless as their way of payment.

**Here is where we have taken the opportunity to make business. Cashless payments are a win-win situation for both events organizers and attendees.** Event organizers can enjoy with faster transactions and higher spending while customers don't have to worry about their valuables being stolen or lost.

E-wrist is a project which has been created to solve several problems that final users and organizers of events have when they want to enjoy or manage the event. The NFC technology let us make people life easier.

## Value chain



## Product development

### Material resources

- a) Infrastructure: During the first years, the company will be settle in the house of one team member, in Madrid. The human team will work from this space which will be equipped conveniently to develop our job.
- b) Fixed assets: For our business, we don't need much physic infrastructure. It is important have an IT and software department, office material, and the packaging machines.
- c) Software: We are going to create and deploy an advance web platform to manage all the data produced in the festival. This **software** will be installed in the devices we distribute to the festival staff. Festival staff will be able to check in the devices the following features and functionalities up-to-the-minute:

- Generate an electronic database
- Get to know the client data
- Statistics pre and post event: gender, expense per hour, age, origin, etc.
- See the event results:
  - Benefits per sectors
  - Which are the type of consumptions ordered by the users
- Amount of people within the enclosure
- Amount of people pending to enter



Thanks to the “big data” technology, our software will be able to gather all the data to create special marketing and increase the assistance for the next event.

Moreover, we are going to create and deploy a **mobile app** called “**E-wrist experience**”, the final user will have the possibility of downloading it through the organizer webpage or in the market app store. With this mobile app we are going to give to the final user an easy way to activate the NFC wristbands and to recharge the wristbands with the money they desire.

### *Human resources*

Regarding the work organisation, our business staff is specified in the section related with the work team and will be maintained during the first 3 years.

### *Supply needs*

Here we are going to talk about our supply needs plan:

- We will order the NFC band to producer companies specialised in this sector, trying to have the best price.
- Data basis where will be stored the data about our customers, users, web, business data and security management. Requires a server.



- Buying the office and packaging material.
- Buying all the equipment used for the events:

- TPV: touch device with management app.

- Item reader: NFC reader and mobile phones. This material will remain in our stock with our software installed and the number of devices used in festival will depend on the festival size. At the beginning we will buy a limited number of devices, but as we have more contracts with bigger festivals. We will create an allowance to purchase more equipment.



- We will rent the turnstile for the events. We are not specialized in this kind of device, therefore, we will contract to another company to have its counselling and the turnstiles. In the future is possible the purchasing of the turnstiles depending on the future economic health of the company.



## **Value proposal**

### **Environmental sustainability**

One important feature of our wristband is the environmental sustainability. We have decided to produce it with recycle materials. This measure will provide a good vision of our client from the attendee's point of view and an additional value to the event.

### **Functionalities**

#### **Advantages for final users**

- Virtual Wallet and expense control: This technology implements solutions that make it completely independent of the internet for payments.

This ensures a 100% secure operation as a reliable payment system and eliminates the need to pay cash at any of the points of sale that are established within the premises. It consists of an NFC card to be recharged through a transfer.

To make the payment of your order you just have to bring the NFC wristband to the available Smartphone in any of the points of sale. In case the attendees have run out of money and want to recharge, through the app we have developed, they can recharge the wristband using their smartphones. Once the event is over, or at any time the attendees wish to withdraw, the balance remaining on your wristband will be returned.

- **Anti-theft device:** The final user will feel safer during the festival because they are not going to take care of the cash money they are carrying.  
In case of losing the wristband, they will be able to disable it thanks to the mobile phone app and afterwards, go to control point to take another new one.
- **Less waiting time:** NFC technology allows the organizer accelerate their processes. This fact is used by the final user to improve their experience in the event avoiding long queues when they want to make a purchase within the event.

#### **Advantages for organizers:**

- **Access control:** The event will be totally controlled. The organizer will allow to users enter in the event only with a slight wrist gesture. Personal data will be stored in the organizer data basis.

Moreover, the NFC technology is impossible to falsify. The organizer will avoid unwanted people in the event. This is thanks to the technology, once you tag something in the NFC, it is impossible to delete and tag over the first tag.

- **Capacity in real time:** During the event, the organizer will get to know the capacity during the festival in real time.

- Cashless system: Final users will be able to pay the consumptions with the NFC wristband. This fact provide security avoiding thefts and improve the benefits. This functionality is an efficient system that eliminates many processes that streamline the payment service, before this the assistant is motivated to consume almost on impulse. It also avoids long queues at points of sale and enables real-time control of all sales. In different studies we have seen that our client (organizers) will improve the attendees spend of 15-40%. This studies have been made by IDASFEST and GLOWNET.

The recharges made in the days before allow to the organizer to have liquidity to be able to face payments to suppliers. Attendees can plan the expense for the event, with the previous recharge the attendees set the amount they can afford to spend, although they can also make fast and safe recharges once the event starts. Moreover, with this system, organizers will avoid fraud or cash-handing mistakes on the part of their staff.

- Black list: The organizer will have the right of unable the wristband of the attendee who is committing bad behaviour. This fact will avoid the purchase of new drinks and even it is necessary, this person could be invited to exit the event.
- No connectivity needed: The NFC devices are connected though an internal network which ensure avoid failures with the internet connectivity.
- Wristband personalized: We give the possibility to the organizers of creating their personal design for the wristband, providing originality to the event.
- Big data: All the information gathered help to improve different issues:
  - It improves the counters, getting to know when attendees consume allow to the organizer manage the counter which has to be strengthen with more staff.
  - Getting to know which consumptions are the most ordered, the organizer can optimise the stock management.

- With all the information gathered, we can create a detailed report about the attendees and send personalized marketing.
- Festival recognition: The wristband allows attendees to have a beautiful souvenir of the event, which will make it more unforgettable. On the other hand, the wristbands also help to make the event more recognizable since, normally, people usually leave them on their wrist, months after the end of it.

### *Final user experience*

The final user will experience these steps before, during and after the event:

1. From the organizer web, users must register to buy the ticket, all the information is stored in the organizer data basis which is connected with our software and therefore stored in our data basis. A unique password is generated for each one and their data will be stored later in their NFC wristbands.



2. Users can upload their wristbands before the event begins. To do this, they only have to download our mobile app from the market app store or from the link which can be found in the organizer webpage, identify themselves using the password generated in the registration, upload the wristband, link their bank account and carry out the money recharge.



3. Before entering the event, in the entrance stands, attendees are given an NFC wristband with no data. Just in this moment, the bracelet is activated by the festival staff and all data and the money that had previously been provided on the website are entered in it. Just after this process, the attendee is prepared to enter within the festival and enjoy this amazing experience.



4. When the users decide to buy something in the enclosure, the staff will reduce the quantity of their bracelets through the NFC readers.





If the attendees run out of money, it is not a problem, they only have to enter again in the mobile app and thanks to the bank account link, it is really easy perform a new recharge.

5. Finally, when the event ends, users can recover the remaining money of their wristbands, they only have to access in the mobile app and request the money. Moreover, the wristband is a beautiful souvenir which in some cases remains in the wrist of the attendees during months.



### *Safekeeping and auditing wristband and equipment*

We know the importance and value of the bracelets during the event, so it is essential to be rigorous and orderly. If the organizer have to deal with a large number of bracelets, we will help:

1. We receive the goods from the factory and we control the quality.
2. We count the wristbands and we perform security seal to certify the inalterability of the material.
3. We keep the wristbands until the end of the event. One member of our team will remain in the festival storing the wristbands and checking that the equipment is in good condition.
4. We supply the bracelets during the event taking a count of deliveries and returns:
  - a. Stock limits per person are defined.
  - b. We offer partial and final reports of the wristbands, being able to compare what was recorded with the validated tickets.

### *Maintenance and 24h technical support*

- Maintenance:

We plan periodic assistance to ensure the proper functioning of the installation, adjusting to the times that most interest to our clients. And at the moment that an incident is generated, we take care of the problem and we start to solve it.



- 24h Technical support:

In E-wrist we give telephone or on-site support to our clients. Personal attention in case of incident during the festival (attendees who have lost their wristband, who have been the object of theft, etc...) or for the facilities.

Normally, most events occur outside office hours. With the necessary information, our team can help during the event or once it is over, so our client can focus on other issues. So we adapt to the event 24 hours a day, according to the philosophy of the organizer company, regardless of size.

### *Business model*

In this section, we are going to tell the steps performed since we contact with our client till the moment we leave the event to give service to other event:

1. First of all is talk about what we sell. We sell personalized NFC wristbands and, its maintenance and data monitoring to create a database which helps to our client to improve logistic and marketing to attract more attendees.
2. Once we contact with the organizer (marketing is written in other section), we offer our prices and if the client accepts everything, we both sign the contract and, we begin to prepare the equipment and software to provide service to the event.
3. The client sends to us the design that they prefer on the wristband and we make a purchase order to the producer, before it, we had already negotiated the wristband price with the producer.
4. Once we receive the order in our office, we control the wristband number and quality. All the equipment (TPV and item readers) and the wristbands are sent to the event.
5. We perform the equipment installation and check that everything works perfectly. After the installation and while the normal festival operation, is possible find any system failure, due to this fact we are going to provide maintenance and 24h technical service.



6. We install our personalized software for the festival and we monitor the data generated. This data generated will be controlled by the festival staff to get to know the consumer habit and improve the logistic in real time.



7. Finally, as the festival has finished, we create different reports with all the information gathered during the festival. These reports are supplied to the organizer to learn and provide improvements in the festival logistic.



8. Moreover, the data generated will give a closer vision of how the attendees are and what they are looking for, which services they like more. This will give to our client the possibility of creating a better marketing to attract more people to the event.

## *Departments*

Our company comprises different departments in order to generate a better experience with the clients.

- Finance. Alvaro Monterde Ortega

The department responsible is the CFO (Chief Financial Officer). This person carries out the company account management, he has the capacity of deciding the company investment, prepare predictive models and ensure the compliance of all the financial requirement. If any account anomaly is detected, he identified it and communicate in order to correct it as soon as possible.

- Marketing. Jessenia E. Bello Castro

The department responsible is the CMO (Chief Marketing Officer). This person coordinates the strategic and operating marketing. She studies the market, detect needs, describe the clients, it allow us determinate the target. She prepare campaigns in order to improve the branding and make known our product.

- Purchases and sales. Virginia Méndez García

This department is responsible of purchases management of the wristbands and equipment renting. This person also manages the transport logistic of the wristbands and the equipment between our office and the events. Packaging is also managed by this department, as well as the tasks related with the stock.

- Technology. Pablo Miguel Martínez Cárdenas

The department responsible is the CTO (Chief Technology Officer).He is responsible of the design and management of the software development and mobile phone app, big data analysis and preparation of predictive models.

## **ESTRATEGIC PLAN**

### **Objective**

Our project has two objectives:

- On one hand to facilitate the logistics to the event organizer of musical festivals regarding access control and cashless payments systems.
- On the other hand to make the experience of final users or attendees more enjoyable and easier with the cashless payment systems and improved access control.

### **Mission**

Our mission is to improve the experience of live music festivals and events for both attendants and event organizers through the new technologies.

### **Vision**

Our vision is to position ourselves as a reference in the market for our innovative technological solutions in the music festivals industry, both nationally and internationally.

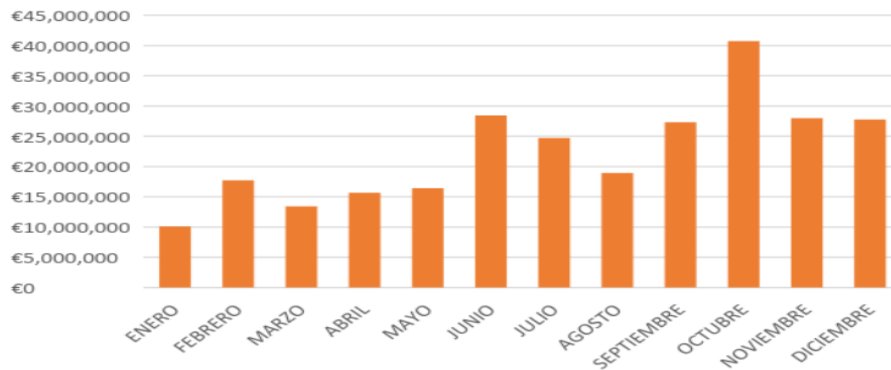
### **Market Analysis**

A market assessment was needed to find out how far our project could reach (turnover) and what market share it could attain (market share). The market share is the portion of the total market absorbed by a specific brand. It is measured as the ratio between the brand-product-service market and the service/total market and is expressed as a percentage.

According to Spanish APM (Asociación de Promotores Musicales), 851 music festivals were celebrated only in Spain. It is estimated that 20% of them reach above 10 artists on their program (almost 170 festivals).

The biggest 25 music festivals in Spain get up to 50.000 people attending, with the first one reaching 300.000 people.

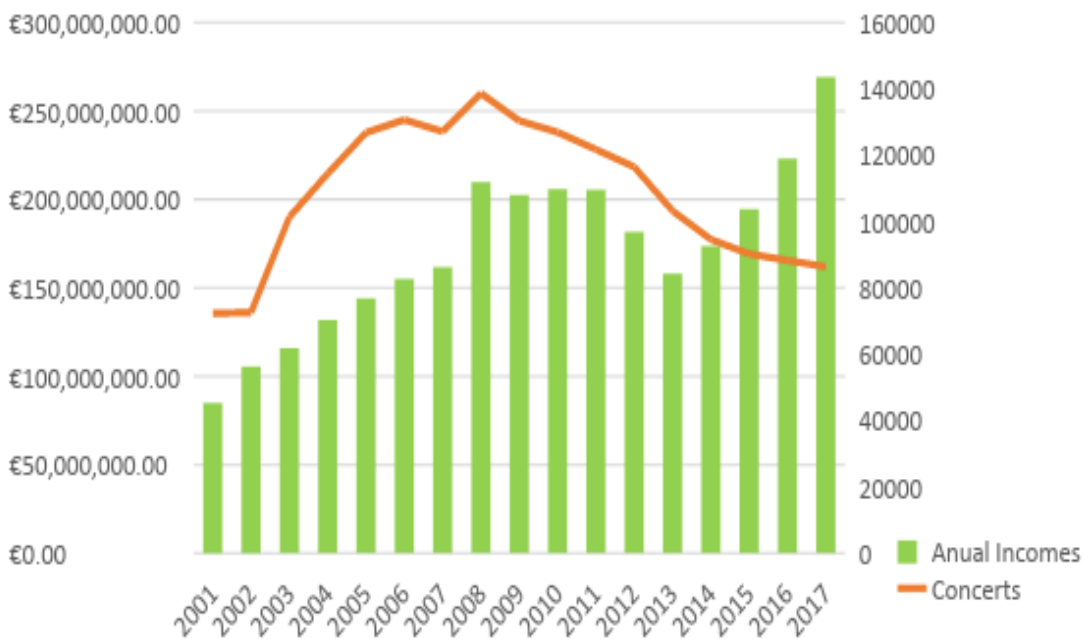
The following graph shows the monthly benefit of the festivals in a year:



Monthly Benefits of festivals in 2017. Source: Asociación de Promotores Musicales.

In the graph, we can observe how profit is increasing monthly. October happens to be the month that generates more profit (up to 40.000.000€), while January only reaches 10.000.000€. June is the second runner up, being the preferred summer month for music events.

The following chart shows two graphs in one, one indicating the annual revenues generated by festivals since 2001 and the other one, the number of concerts organized since 2001.



Annual Incomes in Spain 2001-2017. Source: Asociación de Promotores Musicales.

As it can be seen, this specific market is currently at a growth point. Last year, the profit generated by this market increased 20% in relation to the year before. We have seen the increasing growth in annual profits in music festivals, however, it is also important to highlight that the number of concerts per year has been decreasing.

If we compare the curves for income and number of concerts, we can conclude that in the past few years the tendency has been to increase cash by organizing more multitudinous concerts. Therefore, profit has been increasing yearly; yet the number of concerts has been decreasing.

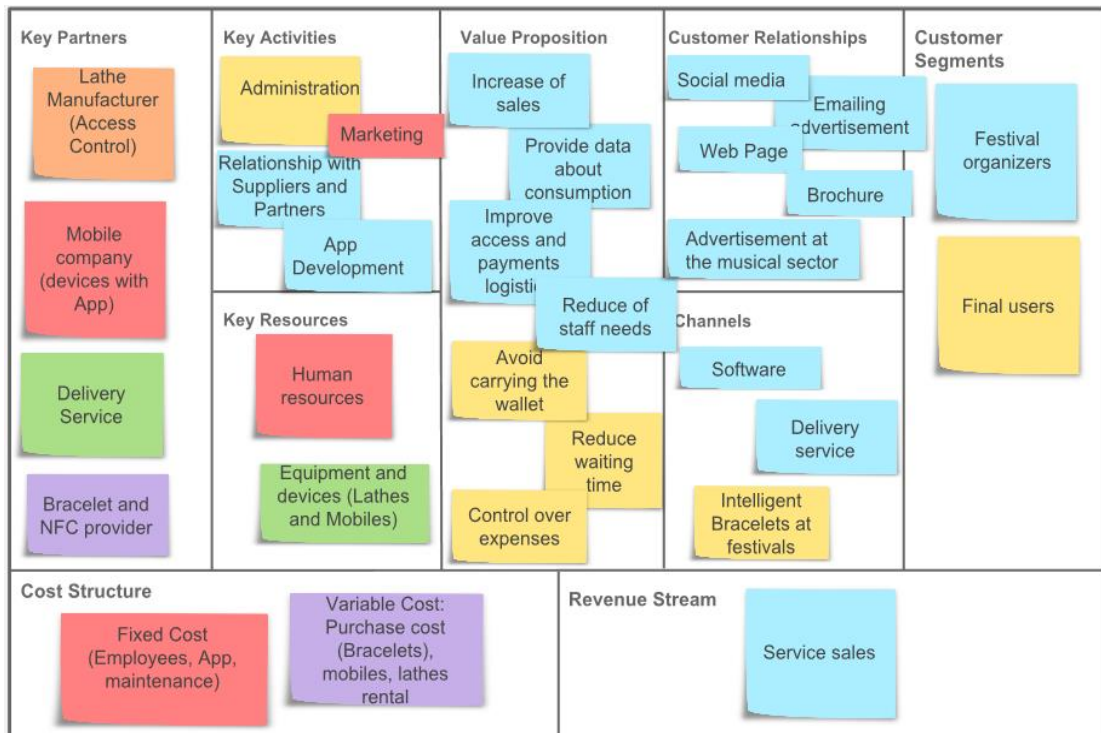
### ***Business Model Canvas***

To design a business model, the first thing to do is to focus the business idea on the problem to be solved and for whom it is being solved. The first step is to find whether or not there is a problem; what it is about; how it is currently being solved, and the level of effort invested in alleviating the problem by clients and users. Identifying the problem is crucial to develop the business model.

The main problem that our product wants to alleviate is to improve access control and payment methods in music festivals. To do this, we have created a wristband that uses NFC technology and is supported by a Mobile App, providing access to events and payments over consumptions to be easier and without having to carry a wallet (cash or credit cards).

### ***The value proposition***

In this section show how we worked on the solution to the existing problem and how to mitigate the problems identified for the organization and the final users. From this, we started creating our value proposition.



To create a value proposition the following aspects should be taken into consideration:

- The project based on the value proposition should provide benefits for clients and/or users.
- It should create net value.
- It should be comparatively different (perceived value for clients and/or users).

### *Process of Validation and experimentation*

The process of creating and developing the project has been carried in three stages: ideation, validation and experimentation.

- Ideation: we wanted a project innovative, simple and that would facilitate access and payments in music festivals.
- Validation: we surveyed 50 final users to understand the advantages and disadvantages of the product, and if the final users would welcome the product.



In case of the organizers, although we tried to establish contact with different companies to validate the problems we formulated on our hypothesis, we were not able to do so. So we did the next best thing, we researched the market using Reports made last year by good reference sources such as the Association of Music Promoters in Spain, studies from Glownet, among others.

- Experimentation: our product and services will be launched in October 2018, in Spain.

It is predicted a medium-term internationalization of the product, in countries with economic and technological resources similar to Spain, so that the following characteristics are fulfilled:

- Organizational structure: we will establish a flexible structure, as decentralized as possible, fast in decision-making and able to adapt to changes in a market as volatile as we are moving.
- Differentiation from competition: the product is not that different from the competitors. However, our sales team will be professionals that understand the music industry. In addition, our product is made from recyclable materials from an eco-friendly supply chain.
- Competitors: our main competitors (Intelify, Bracelit, L.a.different, Glownet) do not specifically specialized in music festivals like us.
- NFC technology supported by an App developed by us.
- Growth strategy: initially the product will be used in music festivals in Spain and then it will be expanding to other European Markets, and later on to International Markets.

## External analysis

The market that our product addresses is innovative, flexible and requires an excellent capacity to adapt. To study the external factors to the project, we have conducted a **PESTEL** analysis.

<p style="text-align: center;"><b>Politics</b></p> <ul style="list-style-type: none"> <li>• Change of Government</li> <li>• Social conflicts</li> <li>• Politics of musical festivals</li> </ul>	<p style="text-align: center;"><b>Economy</b></p> <ul style="list-style-type: none"> <li>• Profitable product</li> <li>• Sustainable product</li> <li>• Cheap production</li> <li>• Partnerships with suppliers</li> </ul>	<p style="text-align: center;"><b>Socio-cultural</b></p> <ul style="list-style-type: none"> <li>• Customer's lifestyle</li> <li>• Music promotes culture</li> </ul>
<p style="text-align: center;"><b>Technology</b></p> <ul style="list-style-type: none"> <li>• NFC technology</li> <li>• Big Data</li> </ul>	<p style="text-align: center;"><b>Legislation</b></p> <ul style="list-style-type: none"> <li>• Data protection</li> </ul>	<p style="text-align: center;"><b>Ecology</b></p> <ul style="list-style-type: none"> <li>• Sustainable product</li> <li>• Eco-friendly production process</li> </ul>

## Internal analysis

An internal analysis was carried out to better understand the strengths and weaknesses of our product.

The main weaknesses are:

- Financing difficulty: scarce resources
- Product needs 24-hour maintenance and technical support in case of systems failures
- Dependence of the operating system and software to read NFC technology

Main strengths are:

- Versatile product, with the possibility to add different functionalities, depending on use needed
- NFC technology is easy to use and program

- Easy data processing: because users only need to register to buy the ticket and they will receive password with their NFC wristbands

### DAFO

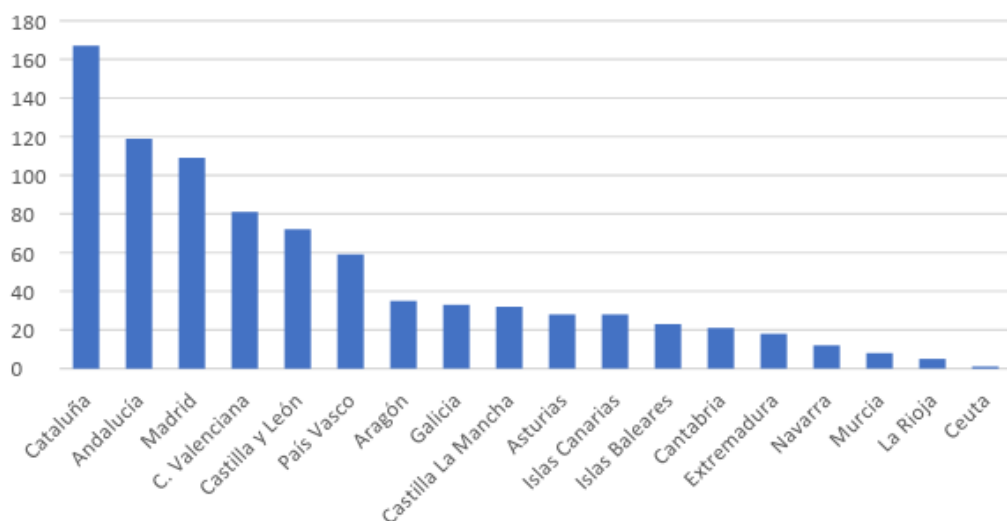
Internal Analysis	External Analysis
<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Difficulty of financing: scarce resources</li> <li>• Dependence of operating system and software</li> </ul>	<p style="text-align: center;"><b>Threat</b></p> <ul style="list-style-type: none"> <li>• Expanding market</li> <li>• Difficult to differentiate from competition</li> <li>• Specific customers</li> <li>• Easy to copy, constant changes in Technology</li> </ul>
<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Versatile product</li> <li>• Easy to use</li> <li>• Easy data processing</li> <li>• Knowledge of sector</li> </ul>	<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Sustainable product.</li> <li>• Use NFC technology</li> <li>• Cape able product</li> </ul>

## MARKETING PLAN

### Market Size

Initially E-Wrist will be launched in the Spanish Market. Hence for the past few months we have been researching the Music Festivals Market in Spain. As a result of our research we learned that:

- After a few years impacted by the crisis where every type of business struggled to generate profit, in the past couple of years, revenues in this sector have shown a growing tendency;
- The number of concerts per year has been decreasing since 2012;
- At the present time, there seems to be a tendency to increase profit by organizing more multitudinous concerts (with an increase in size but not in number). Therefore, the logistics to organize these events has become more and more complex;
- According to the Association of Music Promoters in Spain (APM, for its acronym in Spanish), in 2017, 851 music festivals were celebrated in Spain alone. As we can see in the chart below, the major number of festivals were held in the autonomous communities: Cataluña (163) and Andalucía (119), followed by Madrid (109). It was also estimated that 20% of these festivals reached over 10 artists on their program (almost 170 festivals).



*Music festivals held by region in 2017. Source: Asociación de Promotores Musicales*

According to the APM, the biggest 25 music festivals in Spain reach up to 50.000 attendees, and the biggest reach about 300.000 people. These festivals usually last at least two days and up to 4 days long.

Within the Total Market, in the following lines we will refer to the concepts of Total Addressable Market or TAM, Serviceable Available Market (SAM) and Serviceable Obtainable Market (SOM) of our product. *“TAM, SAM, and SOM represent the various subsets of a market. TAM refers to the total demand for a product or service that is calculated in annual revenue. SAM stands for Serviceable Available Market, and it is the target addressable market that is served by a company’s products or services. SOM, on the other hand, is an acronym for Serviceable Obtainable Market, which is the percentage of SAM that is realistically achieved”.*<sup>1</sup>



### **Total Addressable Market (TAM)**

Due to the simplicity and low cost behind NFC Technology, our product and services can be offered worldwide to all businesses currently providing the services of organizing festivals for the music industry.

However, since initially E-Wrist is available only in the Spanish territory, our TAM is approximately 850 music festivals. We cannot provide the exact TAM related to final users or attendees that would be served in all of these festivals, however according to the data provided before, we can say with that it is over 2 MM people.

<sup>1</sup> CFI, Resource “Total Addressable Market (TAM)”  
<https://corporatefinanceinstitute.com/resources/knowledge/strategy/total-addressable-market-tam/>

## Serviceable Available Market (SAM)

The available market is the portion of the addressable market for which we can realistically compete with our current technology and business model. It is the target segment within our possible reach. For this, an estimate of the first year is made and from there the number of clients increases every year.

In the beginning, due to proximity to our operations, we will focus on these three autonomous communities: Madrid (where our company is based), Castilla de la Mancha and Castilla y León. According to the data presented in the Chart on the *Market Size Section*, these communities altogether held approximately 213 music festivals in 2017 and at least five (5) of the biggest festivals in Spain in 2018 are held in these regions, such as<sup>2</sup>:

### Madrid

1. Tomavistas (usually in May)
2. Download (usually in June)
3. Mad Cool (usually in July)

### Castilla De La Mancha

4. Sonorama (Burgos, usually in August)

### Castilla y León

5. Viña Rock (In Villarrobledo, Albacete. Usually in April)



Mapa de las Comunidades Autónomas de España, GIFEX.COM

<sup>2</sup> <http://www.europapress.es/cultura/musica-00129/noticia-24-festivales-espanoles-mas-destacados-2018-20180210083932.html>

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## **Serviceable Obtainable Market (SOM)**

SOM is used to estimate the potential market in the short/medium term that we can realistically obtain with the resources available to us, our and our marketing strategy, mainly supported by the sales force, which is the basis to attract clients. To calculate the SOM, we are basing ourselves on the estimations made of the first year's annual sales.

In the first year of operations, we plan to reach at least twelve (12) small events, ten (10) medium events and two (2) big events, adding up to a total of twenty-four (24) music festivals. We are expecting an estimate of 33% repeat customers, meaning that one third of our clients will acquire our services for three yearly events. So we expect to reach approximately 8 clients in the first year.

In the following year our strategy is to increase our sales in a 66%, despite having clients taking on the same amount of services per year. Our plan is to increase our clients' portfolio (which includes penetrating other regions in the Country) and to start building our customers loyalty (increasing the number of repeat clients). Therefore, in the second year we estimate that we will reach a total of forty-three (43) festivals and 13 clients. This strategy will be used for future projections, including penetrating other European Markets.

## **Target**

From E-Wrist we have been able to detect a series of potential clients that constitute our target. While these potential clients have some singularities each, they all have in common a series of requirements to become users of our services: to plan and organize music festivals. We have identified the following potential clients:

- **Music Festival Organizers** (companies solely dedicated to organizing events for this industry)
- **Event Planners** (that occasionally prepare music festivals)
- **Music Industry Companies** (management agencies or concert promoters, concert halls, multinationals, record labels-agencies ...)

On the other hand, although Final Users do not pay for our products or services, we must also consider them when assessing and planning our marketing strategies in the future. That said, we proceed to describe some characteristics of our Target, as well as the Final Users, and how we will approach them to use our service:

### Music Festivals Organizers, Event Planners & Music Industry Businesses

- Concerns about the event logistics, access control, hiring staff and monitoring performance, controlling the points of sales incomes, etc.
- Worries about not having enough liquidity when making purchases or hiring suppliers during the organization of the event.

E-Wrist provides a solutions that allows these companies to reduce the need of staff to control entrance due to the turnstiles, prevent frauds and human errors in the point of sales because it eliminates the use of cash, allows the organizing company to have cash at hand before the event to cover logistics costs, due to early recharges of money into bracelets .

### Final Users

- Has negative experiences carrying the wallet to Festivals and prefers other cashless means of payment
- Finds it frustrating to wait in long lines to access the events, to purchase food or drinks or any other product once in the event, and to use the services

E-Wrist provides a solution that allows the final users or attendees to budget their expenses, charge their bracelets beforehand and leave their wallets at home. It also reduces the waiting time when going to buy food and drinks.



## Brand Values and Positioning

### Brand Values

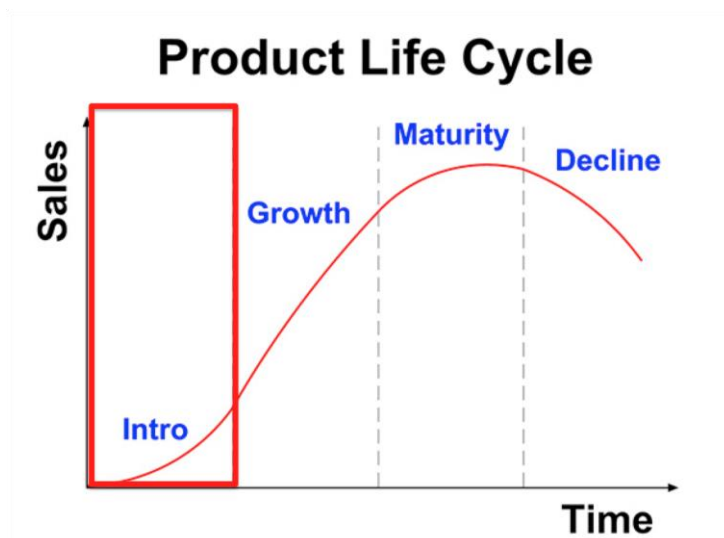
The brand values are aimed at companies that organize music festivals, with an increasingly complicated logistics to manage the crowds.

Functional values are the collection and management of data through the Big Data to create a base solid and consistent data that enables the company to manage information on real-time capacity, consumers preferences during the event and to know the timeframe in which the products are more or less requested, prevent human error or fraud during payment, among others. All of the above allows them to plan better and more accurately the logistics of future events.

The emotional values of the brand are aimed more at the end user by not having to waste a lot of time waiting in long queues to be served at the points of sale of the event and the security of not having to carry their wallet with them, avoiding losses or theft.

### Positioning

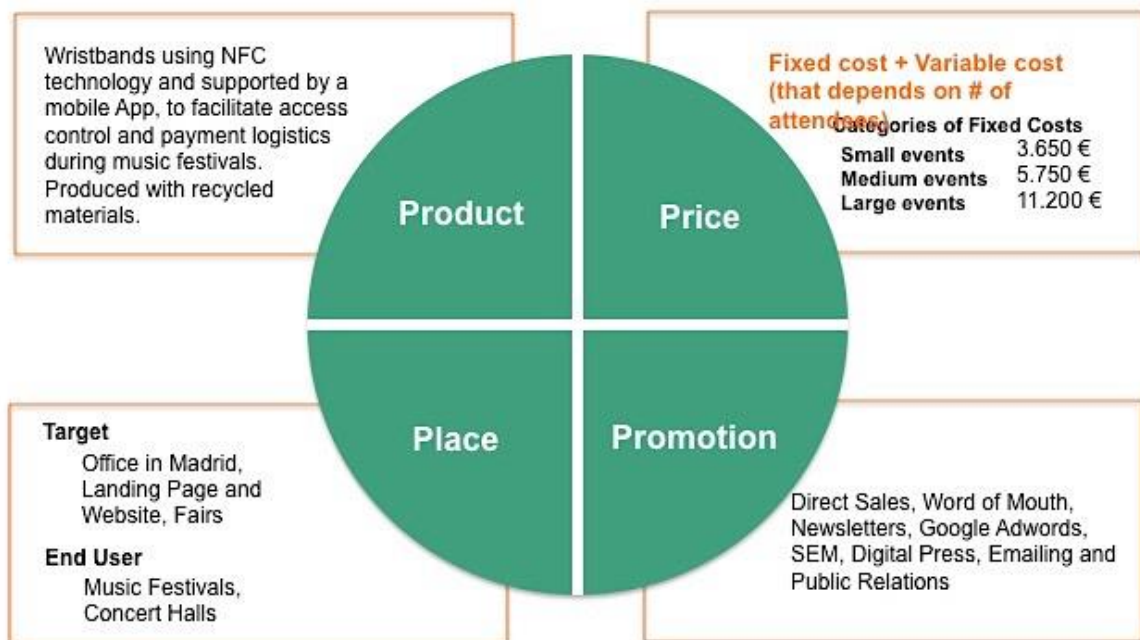
Technological products are subject to many changes throughout their existence, largely driven by social changes. E-Wrist is at the stage of market launch (birth).



Communication in this stage will have an informative character (to let the customer know the benefits of the brand and invite them to contract our services). In order to achieve a good penetration, and bearing in mind that we are aiming to a specific market (music industry - technology), where opportunities are greater at the beginning of the development of new technologies and greater uncertainties appear as you move forward in the life cycle, we will initially make a greater effort to publicize the product mainly through a program of Public Relations and with our corporate sales force, including emailing. As a Startup, unfortunately we cannot yet make large investments in marketing campaigns in the beginning, which would have generated greater and more agile growth and positioning in the market.

To maintain the pace of sales growth and to last during the maturity phase, the positioning that we are seeking is: “our clients choose us because we specialize in the music sector, therefore we can better understand the needs of the sector and respond to them in innovative ways, facilitating a better experience for end users.

### Marketing Mix



## *Product*

E-Wrist bases its service on a mobile app and NFC bracelets that offer the possibility to improve the experience of attendees to music festivals by enhancing the logistics and providing more control over the event to the organizing companies.

In a competitive market, an inflection point of our service comes from the hand of Big Data. The knowledge that provides such a volume of data to the event organizers will allow them to, for example, know the festival's capacity in real time, prevent human errors or frauds during payment collection, real-time control of all sales and consumptions and know which are the most ordered products, which helps them optimise their stocks management and future purchases, among others. This will position us in a advantageous spot for future recommendations.

To ensure the satisfaction of our clients, we have some extra services that are included in the prices that we have set for our services. We offer **maintenance and 24h technical support** to our clients by telephone and/or on-site support. Normally, most events occur outside office hours, so with the necessary information our team can assist clients to resolve any incidence during the event or at the end. so our client can focus on other issues. We provide periodic assistance to ensure the proper functioning of the installation, adjusting to the more convenient time to our clients. And at the moment that an incident happens, we respond to solve the problems.

## *Place*

In the case of the clients our distribution channels are at the music festivals, concert halls, etc., basically where the event takes place

- In our offices in Madrid
- Through our landing page and website (once created the last one)
- Fairs

In the case of the end users, the distribution channels are at the music festivals, concert halls, etc., basically where the event takes place.

## Promotion

During the first year we will not make a large investment in this area. The purpose of our marketing strategies has an informative character to let clients know the benefits of our brand and to offer a level of confidence and security. So in order to promote our product, as well as to attract the maximum number of clients, our strategy is based on:

- Client acquisition through direct sales made by our executives (corporate presentations)
- Participation in tech fairs such as Open Expo
- Partner with selected suppliers of the music industry to promote our services to their clients

Also, to **promote our services**, we do not underestimate the possibility of expanding in the media according to our target by:



### Word of Mouth

A happy customer recommends to others. If we fulfill our goal and we succeed with our product, we can quickly get new clients through word of mouth. It is an important diffusion channel because it can increase the number of clients exponentially in a short period of time.

However, this channel can also be very harmful, because if we do not meet the needs or expectations of our clients, we will lose their trust and, therefore, their recommendations.



### Emailing Marketing

The object here is to make our database profitable by sending a commercial message directly to potential clients using the email as a channel. Our purpose with this campaign is to generate visibility and brand awareness; to increase confidence in our product or brand, and to offer support and solve doubts.



## Google Adwords

It is a very popular channel with the largest investments in our budget. This platform helps analyze business objectives, guiding us to make the best advertising campaign in Google and allowing us to win new customers after activation.



## Newsletter

An informative "newsletter" will be created for clients subscribed to our website. In it, we will communicate new functionalities of the product incorporated to improve the client's experience, news of the sector, offer support and solve doubts, among others.



## Public Relations

Our PR program includes the following actions:

- Publications management (in at least 10-15 different media, same publication)
- Press releases management (launching)
- Media monitoring
- Press Clipping, which is the compilation process of the clippings of publications
- Final Portfolio or Press Kit, with the compilation of all the clippings of publications obtained during the campaign

## **Price**

Our services have a fixed cost and a variable one:

- **Variable sales price:** depend solely on the number of users. They are composed of the cost of the bracelet plus a benefit for E-Wrist for management expenses. The cost of the bracelet is reduced as the units sold increase. The difference between the cost of the bracelet and the total price is the benefit for E-Wrist.

- **Fixed costs:** include aspects such as the rental of turnstiles, maintenance of platform, transport, etc. Costs that correspond to the provision of the service. These costs, although not dependent on the number of attendees, they do depend on the size of the festival. Three packages are in place: for small, medium and large festivals. For each of these cases, the fixed costs are as shown below:

Festival size	Nº attendees	Fixed costs	Breakdown				
			Turnstile's rent	Platform maintenance	System Installation	Transport	Benefit
Small	<5.000	3.650 €	1.100 €	700 €	150 €	200 €	1.500 €
Medium	5.000-50.000	5.750 €	1.600 €	1.400 €	300 €	450 €	2.000 €
Large	> 50.000	11.200 €	3.300 €	2700 €	800 €	700 €	3.700 €

You can find more information about our costs in the section *Financial Plan*.

## Marketing Budget

The annual marketing budget is distributed in the following items. In the following exercises it will increase by sales growth and may include other actions:

Yearly Budget (1st Year) Platforms and Resources Distribution				
MEDIA	DESCRIPTION / FORMATING	Platform	TOTAL INSERTIONS	TOTAL €
<b>Digital</b>				
Google Adwords	(SEM) Texto, Display (350 x 250), Display (320 x 100), Display (300 x 600), Remarketing de display	Mobile & Desktop		8,000.00
Digital Press		Mobile & Desktop		4,000.00
Emailing				2,000.00
<b>Subtotal:</b>				<b>14,000.00</b>
<b>Public Relations</b>				
Publications management	El País, ABC, El Mundo, 20 Minutos, La Vanguardia, El Periódico/ Interviews in Tech and music industry magazines		At least 1 per media	-
Press release management (launching	El País, ABC, El Mundo, 20 Minutos, La Vanguardia, El Periódico		At least 1 per media	-
Media monitoring				-
Press Clipping				-
Final Portfolio or Press Kit				-
<b>Subtotal:</b>				<b>17,000.00</b>
<b>TOTAL:</b>				<b>17,000.00</b>

### Monthly Budget (1st Year)

	Digital				Public Relations	Monthly total
	Google Adwords	Digital Press	Emailing	SEM		
October	500			400	1000	€ 1,900.00
November		1000	500	400	1000	€ 2,900.00
December				400		€ 400.00
January	900		500	400	1000	€ 2,800.00
February				400		€ 400.00
March			500	400		€ 900.00
April	900			400		€ 1,300.00
May	900	1000	500	400		€ 2,800.00
June		1000		400		€ 1,400.00
July			500	400		€ 900.00
August				400		€ 400.00
September	500			400		€ 900.00
	3700	3000	2500	4800	3000	

Yearly  
Total 17,000.00 €

	Year 1	Year 2
Marketing investment	€ 17,000.00	€ 22,400.00
No. Clients	8	13
Recurrence	3	3
Client Life	4	3
Gross Margin	€ 118,756.00	€ 196,098.00
CAC	€ 2,125.00	€ 1,723.08



## ***Sources and Indicators to Measure Effectiveness on the Web***

The main indicators that we are going to analyze before, during after the marketing campaign are the following:

On the website we will use Google Analytics to analyze the results of the campaign in real time. The main indicators to take into account with respect to traffic are: number of visits, number of pages viewed per visit, average time spent on the page, bounce percentage and geographical locations from where users are accessing, to see where the campaign is being most effective.

We will also be attentive to traffic sources to evaluate the campaign in real time and make improvements that increase efficiency. The indicators to which we will be attentive will be: the number of sessions, bounce rate and the conversions of each source. We will monitor that the marketing and communication objectives are being achieved by observing the number of conversions and the value of each conversion.

Analyzing the heat map of the landing page and the home page we will obtain information that will provide us with a view of the most striking areas for users to know which are the items that cause the most interest and what the user does on the web. This allows us to eliminate distractions and make modifications to streamline the sales process.

## FINANCIAL PLAN

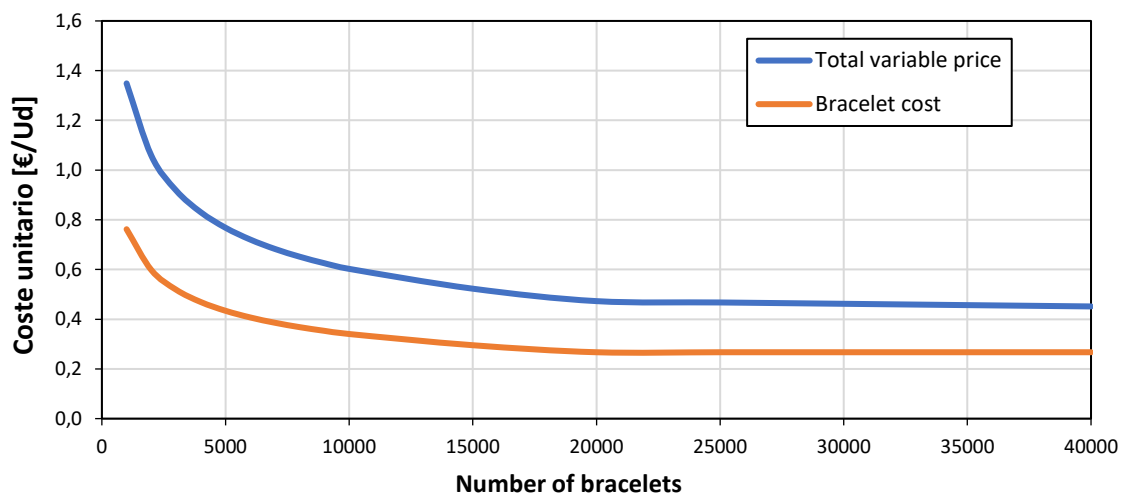
### Financial Product's Structure

As it has been shown before, we will sell a logistic service based on the optimisation of the payment method and the access to the enclosure. The service will have both a fixed and variable cost:

#### Sale's variable cost

The variable cost will directly depend on the number of assistants that will be using the service. This cost is included on the prize of the bracelet and there is also a profit for E-Wrist which includes the management and buying and selling of this product.

So, the bracelet's cost will be reduced as the number of sold units increases. The quantity of these costs can be seen on the following table:



E-Wrist will receive the difference between the cost of the bracelet and its total prize.

#### Fixed costs

The fixed costs comprise the turnstiles' rent, the platform maintenance, the system's installation, the transport and the enterprise's profit for the service's costs. These are the costs for the service regardless of the **exact** number of assistants. It is important to stress that it is independent of the exact number of assistants; however, it does depend on the size of the festival.

It is divided in 3 packages: Small festivals, Medium and Large ones. For each one of these there are exact fixed costs:

Festival's size	Nº of assistants	Fixed price	Breakdown				Gross Margin (Profit)
			Turnstiles' rent	Platform maintenance	System's installation	Transport	
Small	<5.000	3.650 €	1.100 €	700 €	150 €	200 €	1.500 €
Medium	5.000-50.000	5.750 €	1.600 €	1.400 €	300 €	450 €	2.000 €
Large	> 50.000	11.200 €	3.300 €	2700 €	800 €	700 €	3.700 €

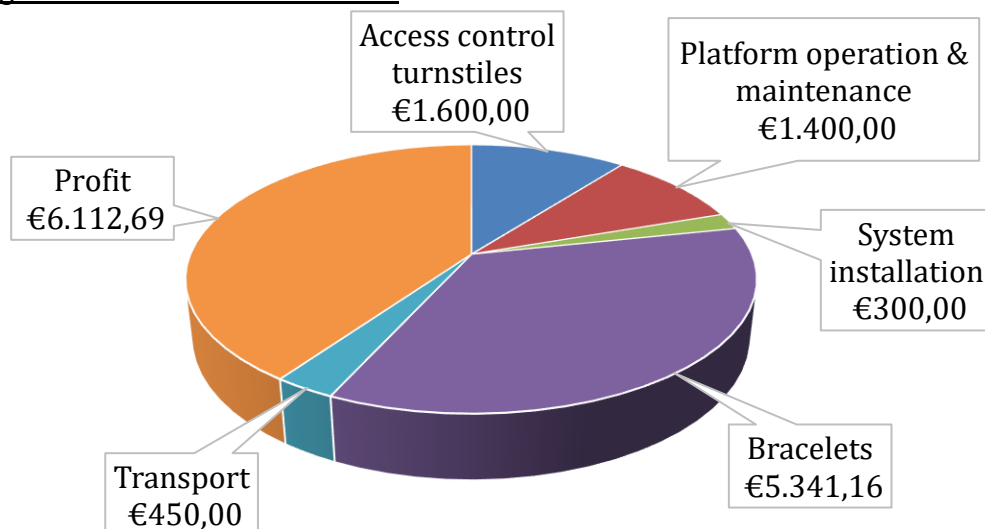
### Total prize of the product.

Having all this in mind, 3 examples are shown on the following table. **The financial plan has been made taken this “example festivals”:**

	Nº of assistants	Fixed price	Variable price	Total price	Gross Margin (Profit)
Small	4.000	3.650 €	3.321 €	<b>6.971 €</b>	1.500 €
Medium	20.000	5.750 €	9.453 €	<b>15.203 €</b>	2.000 €
Large	50.000	11.200 €	22.299 €	<b>33.499 €</b>	3.700 €

**These are three examples of festivals.** But, this doesn't mean the festivals we are going to manage will have this exact number of assistants. In fact, this numbers have been chosen by placing ourselves at the worst possible situation.

To illustrate the economic structure of the product, a graph with the costs for the management of a Medium festival is shown down below:



### NFC Readers costs

The NFC readers are a great part of the cost, but this will not be shown at the prize of the product because it is not sold to the client. The NFC readers will be our tool to carry out the service. We will invest on 150 devices at the beginning of the activity which will be able to aid the logistics of the festivals we will be managing. The useful life of these devices will be that of 3 years.

To quantify this, the cost of these readers and the number needed for each different size festival is shown on the following table:

Festival's size	Nº of NFC readers needed
Small	15
Medium	25
Large	70

Prize per unit	130/unit
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### Sales plan

To establish a sales plan, these sales have been organized during the economic exercise since October 2018 until September 2019. This way, we will manage at least 12 Small festivals, 10 medium and 2 Large ones. The number of festivals is spreaded and it increases progressively:

FIRST EXERCISE (2018/2019)												
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.
Small			1	1	1	1	2	1	1	2		2
Medium					1	1	1	2		2	1	2
Big									1		1	

At the end of the first economic exercise, 302.690€ will be invoiced. 183.933€ of which correspond to the Sales Costs. **The raw profit will be of 118.757€.**

On the second economic exercise, this numbers will increase up to 25 Small festivals, 15 Medium and 3 Large ones:

SECOND EXERCISE (2019/2020)												
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.
Small	3	2	1	1	1	2	3	2	3	2	3	2
Medium	3	1			1	1	1	2	1	2	1	2
Big									1	1	1	

As it can be seen on the table, sales decrease a lot in December and January because it is the time of less opportunity. The total invoice by the end of the second year will be that of 502.832€ (66% more than the year before). The Sales Costs during the second economic exercise will increase up to 306.733€, **leaving a raw profit of 196.098€.**

These are orientation numbers but realistic at the same time. We have considered the calendar of events to make the sales plan. The bigger festivals are concentrated during the months of summer because it is when they happen. The rest of them are distributed more homogenously except on the months of December and January.

### Other costs

Previously, we have specified the associated costs to the product. This causes an increase on costs if the sales increase. However, there are other costs associated to the activity:

### Marketing

The marketing cost structure has been clarified previously. To sum up, the marketing campaign will have a cost of 17.000 € during the first year and 22.400 € during the second one. The marketing costs' distribution throughout the year is based on the optimization of the campaign.

### Human Resources

The 4 associates of the E-Wrist business will be the only workers during the first exercise being self-employed. We will be earning 20.400€ raw per year. We will have to take into account the “*Régimen Especial de Trabajadores Autónomos y Seguridad Social*” costs, For this, the enterprise will pay 3.600€ per year to each one of us.

On the second exercise we expect to increase the salary of the 4 workers up to 5% and also rent another employer who will earn 18.000€ raw per year.

## Investment plan and initial financing

### INITIAL INVESTEMENT

The initial investment of our project is concentrated on the Non-Current Assets.

As it has been explained previously, it is necessary to invest on NFC readers. To sustain all the expected festivals, we will obtain 150 readers. They cost 130€ per unity. This will imply an investment of 19.500€. But they won't be purchased at the beginning; we will buy them as long as we get new contracts.

On the other hand, we will consider the need of acquiring software equipment for the Enterprise, being 2.500€. Moreover, 300€ are added to the cost for the creation of the start-up on the Commercial Register.

The Non-Current Assets will be that of 22.300 €

### FINANCING

The associates will contribute with 8.000€ for the Net worth.

Moreover, we will need external financing of 68.000€ for the balance to be at 0 for the first few months. The interest rate is 5% and will be paid in 5 years.

## Results

On the following table, we cluster the results of the planned economic exercise:

	1º Exercise's closure. 2018/2019	2º Exercise's closure. 2019/2020
<b>Net Income on total sales</b>	-5.389 €	29.190 €
<b>ROE (Return On Equity)</b>	-	91,8%
<b>ROI (Return On Investment)</b>	-	51,4%
<b>Debt level</b>	96,4%	69,1%
<b>Break Event Point</b>	316.426 €	403.032 €
<b>Pay-Back</b>	3,04 years	

As we can see on the table, the financial results are positive. The profitability of the project is proven and with it, the possibility to develop the business. But it is important to highlight that the first year we won't get any income, because of the initial expenses. Once the business is well developed and settle, we will start earning enough money to pay all our debts.

However, the main problem is obtaining the external financing. We will contact banks and investors to show the business and try to obtain the required financing. Given the structure of the business, without that financing the economic activity will not be possible because of the expenses of the first few months.

To analyse the origin of the results, more detailed information is shown on the **appendix as Balance Sheets, Cash Flow Plans and Profits & Losses Statement.**

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## CONCLUSIONS

E-Wrist offers an optimal solution to the organizers of the musical events with a liable and developed technology. The professionalism of its workers will allow the successful development of the logistical management of Access and payment of the events.

We have checked the need of use for the usual assistants of festivals of this intelligent bracelet at music festivals. It gives an answer to the problems they can have such as losing their wallets, being at long queues to pay, etc.

Taken into account the client's side, we have detected the importance of using this kind of technology as a way of facilitating the logistics of this events, saving on costs and, also, increasing the income.

There are already other enterprises on the market who work with NFC technology but none of them does as specifically on music festivals as we do, showing like that our differentiation.

The platform is developed based on the user's final experience trying to make it as comfortable as possible. With a simple and intuitive interface, everyone can use E-Wrist.

Being the client another enterprise, the marketing strategy is based on the communication with this kind of clients. Optimizing by this the enterprise's resources.

The financial study shows positive results, regardless of being an approximate study, the range of profit is enough to verify its feasibility. However, the search of external financing of about 68.000 € is necessary. Without this financing, the economic activity will not be performed because the initial costs will overcome the associates' investment. This is the main business's limit.

With the according economic and technical management, this business could integrate itself in the leisure market and establish itself as a competitive Enterprise. According to the economic and marketing strategy, by the end of the second economic exercise, the enterprise will have enough money and clients to continue its exercise with a positive tendency. E-Wrist's future from that moment has not been defined, however, it looks very promising.



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## APPENDIX

### *Appendix 1. Balance Sheets.*

We attach, down below, the enterprise's Balance sheet at the moment of opening the first economic exercise, of finishing the first one and of finishing the second one:

	Beginning of first exercise (Oct. 2018)		At the end of first exercise (Sept. 2019)		At the end of first exercise (Sept. 2019)	
	Euros	%	Euros	%	Euros	%
Non-Current Asset	22.300	29,3%	14.875	19,9%	7.750	6,0%
Current Asset	53.700	70,7%	41.991	73,8%	72.833	94,0%
<b>TOTAL ASSETS</b>	<b>76.000</b>	<b>100,0%</b>	<b>56.866</b>	<b>100,0%</b>	<b>80.583</b>	<b>100,0%</b>
Net Worth	8.000	10,5%	2.610	21,8%	31.801	30,9%
Non-Current Liability	68.000	89,5%	42.816	42,1%	29.250	28,4%
Current Liability	0	0,0%	26.589	36,1%	41.831	40,7%
<b>TOTAL NET WORTH + LIABILITY</b>	<b>76.000</b>	<b>100,0%</b>	<b>72.016</b>	<b>100,0%</b>	<b>102.883</b>	<b>100,0%</b>

## Appendix 2. Cash Flow Plan.

### Cash Flow Plan. First exercise: Oct 2018 – Sept 2019

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Total
<b>Opening balance (1)</b>	<b>49.017</b>	<b>34.704</b>	<b>22.569</b>	<b>14.662</b>	<b>3.151</b>	<b>1.068</b>	<b>2.312</b>	<b>1.216</b>	<b>5.984</b>	<b>11.384</b>	<b>17.773</b>	<b>29.788</b>	
Sales + VAT	0,0	0,0	8.435	8.435	26.831	26.831	35.266	45.228	48.969	53.663	58.930	53.663	<b>366.255</b>
IRPF retentions	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	<b>12.240</b>
<b>Total inflows (2)</b>	<b>1.020</b>	<b>1.020</b>	<b>9.455</b>	<b>9.455</b>	<b>27.852</b>	<b>27.852</b>	<b>36.287</b>	<b>46.248</b>	<b>49.989</b>	<b>54.683</b>	<b>59.951</b>	<b>54.683</b>	<b>378.495</b>
Cost of Sales + VAT	303	303	5.174	5.174	16.175	16.175	21.046	27.175	30.406	32.047	36.535	32.047	<b>222.559</b>
Associate's Salaries	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	<b>81.600</b>
Employee's Salaries	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
RETA y Seg Soc	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	<b>14.400</b>
Marketing (on & off)	1.900	2.900	400	2.800	400	900	1.300	2.800	1.400	900	400	900	<b>17.000</b>
Maintenance	50	50	50	50	50	50	50	50	50	50	50	50	<b>600</b>
Financial expenses	283	279	275	271	267	262	258	254	250	245	241	237	<b>3.121</b>
Repayment of capital from loans	1.000	1.004	1.008	1.012	1.017	1.021	1.025	1.029	1.034	1.038	1.042	1.047	<b>12.278</b>
Outflow for pay investments	2.800		1.950		3.250		1.950	1.300	2.600		1.300		<b>15.150,0</b>
Investments' VAT + Operational costs	998	620	504	599	777	200	693	872	851	200	368	200	<b>6.877,5</b>
<b>Total outflows (3)</b>	<b>15.333</b>	<b>13.155</b>	<b>17.362</b>	<b>17.906</b>	<b>29.935</b>	<b>26.607</b>	<b>34.323</b>	<b>41.480</b>	<b>44.590</b>	<b>42.480</b>	<b>47.936</b>	<b>42.480</b>	<b>373.585,5</b>
<b>Quarterly payment of VAT</b>				<b>-6.343</b>			<b>-3.653</b>			<b>2.755</b>			<b>To be paid: 10.623 €</b>
<b>Quarterly payment of IRPF</b>				<b>3.060</b>			<b>3.060</b>			<b>3.060</b>			<b>To be paid 3.060 €</b>
<b>Monthly cash flow. (Burn Rate)</b>	<b>-14.313</b>	<b>-12.135</b>	<b>-7.907</b>	<b>-11.511</b>	<b>-2.083</b>	<b>1.244</b>	<b>-1.096</b>	<b>4.769</b>	<b>5.399</b>	<b>6.389</b>	<b>12.015</b>	<b>12.204</b>	
<b>FINAL BALANCE</b>	<b>34.704</b>	<b>22.569</b>	<b>14.662</b>	<b>3.151</b>	<b>1.068</b>	<b>2.312</b>	<b>1.216</b>	<b>5.984</b>	<b>11.384</b>	<b>17.773</b>	<b>29.788</b>	<b>41.992</b>	

### Cash Flow Plan. Second exercise: Oct 2019 – Sept 2020

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Total
<b>Opening balance (1)</b>	<b>41.992</b>	<b>39.790</b>	<b>39.186</b>	<b>31.609</b>	<b>10.532</b>	<b>10.351</b>	<b>12.936</b>	<b>10.909</b>	<b>17.861</b>	<b>32.222</b>	<b>40.604</b>	<b>62.852</b>	
Sales + VAT	80.495	35.267	8.435	8.435	26.832	35.267	43.702	53.663	84.236	94.198	84.236	53.663	<b>608.428</b>
IRPF retentions	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	<b>14.652</b>
<b>Total inflows (2)</b>	<b>81.716</b>	<b>36.488</b>	<b>9.656</b>	<b>9.656</b>	<b>28.053</b>	<b>36.488</b>	<b>44.923</b>	<b>54.884</b>	<b>85.457</b>	<b>95.419</b>	<b>85.457</b>	<b>54.884</b>	<b>623.080</b>
Cost of Sales + VAT	51.549	20.744	4.872	4.872	15.872	20.744	25.616	31.744	53.994	58.549	50.848	31.744	<b>371.148</b>
Associate's Salaries	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	<b>85.680</b>
Employee's Salaries	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	<b>18.000</b>
RETA y Seg Soc	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	<b>20.880</b>
Marketing (on & off)	2.504	3.821	527	3.689	527	1.186	1.713	3.689	1.845	1.186	527	1.186	<b>22.400</b>
Maintenance	50	50	50	50	50	50	50	50	50	50	50	50	<b>600</b>
Financial expenses	232	228	223	219	215	210	206	201	197	192	188	183	<b>2.493</b>
Repayment of capital from loans	1.051	1.055	1.060	1.064	1.069	1.073	1.078	1.082	1.087	1.091	1.096	1.100	<b>12.906</b>
Outflow for pay investments	3.250								2.600	1.300			<b>7.150</b>
Investments' VAT + Operational costs	1.219	813	121	785	121	260	370	785	944	533	121	260	<b>6.331</b>
<b>Total outflows (3)</b>	<b>70.234</b>	<b>37.091</b>	<b>17.233</b>	<b>21.060</b>	<b>28.234</b>	<b>33.903</b>	<b>39.412</b>	<b>47.932</b>	<b>71.096</b>	<b>73.281</b>	<b>63.209</b>	<b>44.903</b>	<b>547.588</b>
<b>Quarterly payment of VAT</b>	<b>10.624</b>			<b>6.010</b>			<b>3.875</b>			<b>10.092</b>			<b>To be paid: 14.872 €</b>
<b>Quarterly payment of IRPF</b>	<b>3.060</b>			<b>3.663</b>			<b>3.663</b>			<b>3.663</b>			<b>To be paid 3.663 €</b>
<b>Monthly cash flow. (Burn Rate)</b>	<b>-2.202</b>	<b>-604</b>	<b>-7.577</b>	<b>-21.076</b>	<b>-181</b>	<b>2.585</b>	<b>-2.027</b>	<b>6.952</b>	<b>14.361</b>	<b>8.382</b>	<b>22.248</b>	<b>9.981</b>	
<b>FINAL BALANCE</b>	<b>39.790</b>	<b>39.186</b>	<b>31.609</b>	<b>10.532</b>	<b>10.351</b>	<b>12.936</b>	<b>10.909</b>	<b>17.861</b>	<b>32.222</b>	<b>40.604</b>	<b>62.852</b>	<b>72.833</b>	

### Appendix 3. Profit & Loss Statement.

#### The Profit & Loss Statement. First exercise: Oct 2018 – Sept 2019

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Total
<b>Sales (Incomes)</b>	<b>0</b>	<b>0</b>	<b>6.971</b>	<b>6.971</b>	<b>22.175</b>	<b>22.175</b>	<b>29.146</b>	<b>37.379</b>	<b>40.470</b>	<b>44.350</b>	<b>48.703</b>	<b>44.350</b>	<b>302.690</b>
Cost of Sales	250	250	4.276	4.276	13.367	13.367	17.394	22.459	25.129	26.485	30.194	26.485	183.933
<b>Gross margin on sales</b>	<b>-250</b>	<b>-250</b>	<b>2.695</b>	<b>2.695</b>	<b>8.807</b>	<b>8.807</b>	<b>11.752</b>	<b>14.920</b>	<b>15.341</b>	<b>17.865</b>	<b>18.509</b>	<b>17.865</b>	<b>118.757</b>
Associate's Salaries	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	6.800	81.600
Employee's Salaries	0	0	0	0	0	0	0	0	0	0	0	0	0
RETA y Seg Soc	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	14.400
Marketing (on & off)	1.900	2.900	400	2.800	400	900	1.300	2.800	1.400	900	400	900	17.000
Maintenance	50	50	50	50	50	50	50	50	50	50	50	50	600
Launch on "Registro Mercantil"	300,0												300,0
<b>EBITDA</b>	<b>-10.500</b>	<b>-11.200</b>	<b>-5.755</b>	<b>-8.155</b>	<b>357</b>	<b>-143</b>	<b>2.402</b>	<b>4.070</b>	<b>5.891</b>	<b>8.915</b>	<b>10.059</b>	<b>8.915</b>	<b>4.857</b>
Depreciations	594	594	594	594	594	594	594	594	594	594	594	594	7.125
<b>Total operational costs</b>	<b>10.844</b>	<b>11.544</b>	<b>9.044</b>	<b>11.444</b>	<b>9.044</b>	<b>9.544</b>	<b>9.944</b>	<b>11.444</b>	<b>10.044</b>	<b>9.544</b>	<b>9.044</b>	<b>9.544</b>	<b>121.025</b>
<b>EBIT</b>	<b>-11.094</b>	<b>-11.794</b>	<b>-6.349</b>	<b>-8.749</b>	<b>-236</b>	<b>-736</b>	<b>1.808</b>	<b>3.476</b>	<b>5.297</b>	<b>8.321</b>	<b>9.465</b>	<b>8.321</b>	<b>-2.268</b>
Financial expenses	283	279	275	271	267	262	258	254	250	245	241	237	3.121
<b>EBT</b>	<b>-11.377</b>	<b>-12.073</b>	<b>-6.624</b>	<b>-9.020</b>	<b>-503</b>	<b>-999</b>	<b>1.550</b>	<b>3.223</b>	<b>5.048</b>	<b>8.076</b>	<b>9.225</b>	<b>8.085</b>	<b>-5.389</b>
<b>Accumulated EBT</b>	<b>-11.377</b>	<b>-23.450</b>	<b>-30.074</b>	<b>-39.094</b>	<b>-39.597</b>	<b>-40.595</b>	<b>-39.045</b>	<b>-35.822</b>	<b>-30.774</b>	<b>-22.698</b>	<b>-13.474</b>	<b>-5.389</b>	
<b>Gross profit:</b>	<b>-5.389</b>												
<b>Taxes on profits</b>						<b>0</b>							
<b>Net profit:</b>	<b>-5.389</b>												

#### The Profit & Loss Statement. Second exercise: Oct 2019 – Sept 2020

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Total
<b>Sales (Incomes)</b>	<b>66.525</b>	<b>29.146</b>	<b>6.971</b>	<b>6.971</b>	<b>22.175</b>	<b>29.146</b>	<b>36.117</b>	<b>44.350</b>	<b>69.616</b>	<b>77.849</b>	<b>69.616</b>	<b>44.350</b>	<b>502.833</b>
Cost of Sales	42.602	17.144	4.026	4.026	13.117	17.144	21.170	26.235	44.623	48.388	42.023	26.235	306.734
<b>Gross margin on sales</b>	<b>23.922</b>	<b>12.002</b>	<b>2.945</b>	<b>2.945</b>	<b>9.057</b>	<b>12.002</b>	<b>14.947</b>	<b>18.115</b>	<b>24.993</b>	<b>29.461</b>	<b>27.593</b>	<b>18.115</b>	<b>196.099</b>
Associate's Salaries	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	7.140	85.680
Employee's Salaries	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	18.000
RETA y Seg Soc	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	1.740	20.880
Marketing (on & off)	2.504	3.821	527	3.689	527	1.186	1.713	3.689	1.845	1.186	527	1.186	22.400
Maintenance	50	50	50	50	50	50	50	50	50	50	50	50	600
<b>EBITDA</b>	<b>10.989</b>	<b>-2.249</b>	<b>-8.012</b>	<b>-11.175</b>	<b>-1.900</b>	<b>386</b>	<b>2.804</b>	<b>3.995</b>	<b>12.719</b>	<b>17.845</b>	<b>16.636</b>	<b>6.499</b>	<b>48.539</b>
Depreciations	594	594	594	594	594	594	594	594	594	594	594	594	7.125
<b>Total operational costs</b>	<b>13.527</b>	<b>14.845</b>	<b>11.551</b>	<b>14.713</b>	<b>11.551</b>	<b>12.210</b>	<b>12.737</b>	<b>14.713</b>	<b>12.868</b>	<b>12.210</b>	<b>11.551</b>	<b>12.210</b>	<b>154.685</b>
<b>EBIT</b>	<b>10.395</b>	<b>-2.843</b>	<b>-8.606</b>	<b>-11.768</b>	<b>-2.493</b>	<b>-207</b>	<b>2.210</b>	<b>3.402</b>	<b>12.125</b>	<b>17.252</b>	<b>16.043</b>	<b>5.905</b>	<b>41.414</b>
Financial expenses	232	228	223	219	215	210	206	201	197	192	188	183	2.493
<b>EBT</b>	<b>10.163</b>	<b>-3.071</b>	<b>-8.829</b>	<b>-11.987</b>	<b>-2.708</b>	<b>-418</b>	<b>2.005</b>	<b>3.201</b>	<b>11.928</b>	<b>17.060</b>	<b>15.855</b>	<b>5.722</b>	<b>38.921</b>
<b>Accumulated EBT</b>	<b>10.163</b>	<b>7.092</b>	<b>-1.737</b>	<b>-13.724</b>	<b>-16.432</b>	<b>-16.850</b>	<b>-14.845</b>	<b>-11.645</b>	<b>284</b>	<b>17.343</b>	<b>33.198</b>	<b>38.921</b>	
<b>Gross profit:</b>	<b>38.921</b>												
<b>Taxes on profits</b>						<b>9.730</b>							
<b>Net profit:</b>	<b>29.191</b>												

