

CONFIDENTIAL

MEJKO

Laser TeVee

Projector Re-defined

BUSINESS PLAN

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PROJECTOR RE-DEFINED

I EXECUTIVE SUMMARY

MEJKO is a startup and a manufacturer and distributor of consumer electronics and seeks to debut the US as well as the international market via its brand new laser projector branded as MEJKO TeVee. MEJKO TeVee is a unique product that differentiates itself from the regular projectors in the market via its special and distinct features. MEJKO TeVee is a high definition laser projector based on DLP technology that delivers superior performance over its regular counterparts and is suitable for home entertainment, education as well as business purposes. The key features of MEJKO TeVee can be summarized as given below.

- **Ultra Short Throw Distance**
- **4K and HDR Capable**
- **High Brightness and Color Accuracy**
- **Long Life Span**

The overall market for DLP projectors in the US is a billion-dollar industry. Demand for high definition projectors is expected to rise in the near future in light of rising disposable income and increasing demand for home cinema experience. MEJKO is a company that seeks to secure its own niche as a premium quality and affordable cost electronics distributor in the US and the international market. For instance, the MEJKO TeVee is a premium quality projector and similar products in the market cost more than \$2K while MEJKO's product is available at a more affordable price range of \$1500 only.

MEJKO as a startup is seeking capital investment to secure initial inventory for a full scale launch in the US market. For the purpose of the same, the company is seeking to raise approx. \$900,000 from private investors to purchase initial inventory and bear major expenses for the first year. In light of a unique value proposition and favorable market factors, MEJKO presents a mutually profitable opportunity for both the company and its shareholders.

II COMPANY DETAILS

Legal Structure

The company is registered as MEJKO Technologies LLC in the State of Indiana, United States. The company is a limited liability corporation limited by shares.

Company Ownership

The company is solely founded and headed by Mr. Harish Rathod as the CEO of the company. His involvement in the company will be instrumental to its success and financial wellbeing.

Startup Summary

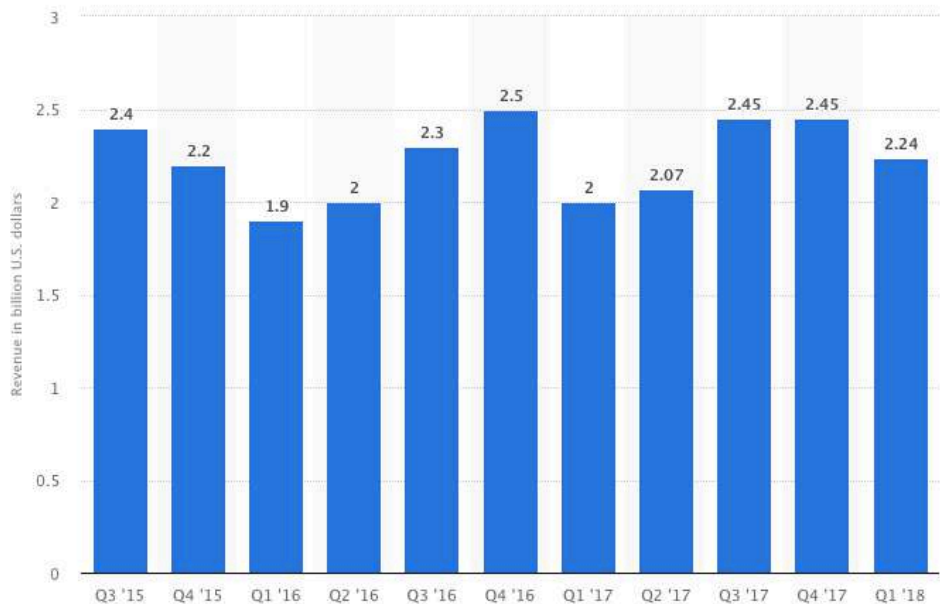
Expenses	Amount
Inventory	400,000
Payroll	396,000
Sales, Marketing & Other Expenses	29,881
Rent	17,143
Utilities	8,571
Insurance	1,429
Contingency Fund	42,651
Total Funds Required	\$895,675

Fig 2.1. Startup Funding

MEJKO as a startup is seeking early-stage funding in the amount of approx. \$900,000 in order to be able to purchase initial inventory and execute the business plan.

III PRODUCT SUMMARY

Market Opportunity



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Fig 3.1. Global Quarterly Revenue for Projectors

The projector market in the US as well as worldwide is growing with a stable growth rate. As seen in fig 3.1, the overall global revenue of the projector market in the first quarter of 2018 stood at \$2.24 billion worldwide. The global market for projectors is roughly a \$10 billion industry and North America accounts for more than 25% of the global market with the US being the second largest market for projectors worldwide after APAC. There are three main technologies in projectors namely, LCoS, LCD and DLP. The market for DLP projectors is estimated at around \$4.8 billion in 2018 which is almost half of the overall projector market in the world, the market is expected to grow at CAGR of roughly 6% by 2020. There is high demand for DLP projectors and the increase in the number of digital screens in the film industry, growing digitalization in the education sector, and increasing adoption of 3D projection in emerging applications are the factors that are expected to drive the market in near future.

Our Solution



Our offering in the DLP projectors market is the MEJKO Laser TeVee, a high-tech and a user friendly product for the customers in the US market including both, the homeowners as well as business organizations. The MEJKO Laser TeVee is an ultra-short throw projector that delivers a unique and immersive experience to the viewer. The projector is a perfect solution for multiple requirements including home theater entertainment as well as education and work.

Product Illustration

The projector is an ultra-short focal laser projector with ALPD technology that delivers up to 150-inch Full HD at a distance of 50 cm with a high contrast ratio of 5000 lumens, and a product life of 20,000 hours. This high-tech product uses a compact and minimal "box" design language, and maintains stylistic coherence.



- **Ultra-short throw distance of 50cm from the wall**
- **4K Resolution and HDR**
- **Hi-Tech Laser Light Source**
- **High Brightness and Color Accuracy**
- **Android Apps Support**

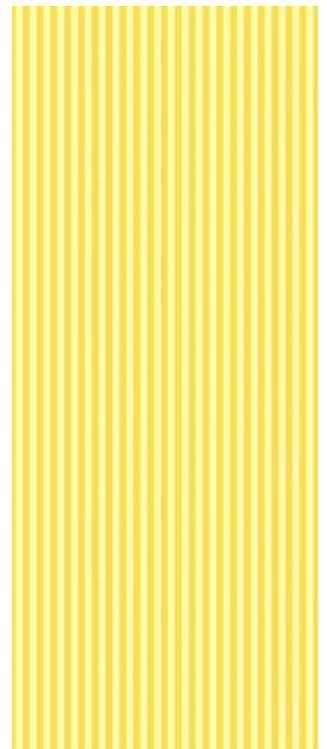


A massive screen for your home

Cinema-Quality

5000 Lumen Brightness

- **Ultra Short-throw Distance-** Project a large screen even from close range, the product uses an ultra-short focal lens designed to do away with the inconvenience of long-distance projection
- **High Quality Picture-** The projector is capable of projecting a screen as large as 150 inches which lets you turn your home into your private cinema. In addition, the projector is HD and 4K compatible
- **Lamp Life of Over 25000 Hours-** Appotronics ALPD 3.0 laser light source technology can effectively ensure lamp life of 25,000 hours or more, equivalent to the time needed to watch more than 10,000 movies
- **Dual Full Frequency + Dual High Frequency Speakers-** A good picture needs to be accompanied by good sound. The Projector features built-in high power double full frequency + dual high-fidelity speakers.



Mission, Vision, Keys to Success

- **Mission-** MEJKO aims to serve its customer with integrity and innovation. The key mission is to deliver highest quality of products at an affordable price range to valued customers in the US as well as worldwide.
- **Vision-** MEJKO envisions itself as a major brand and manufacturer of electronics and digital devices with a global customer base. The company wishes to emerge as a household name when it comes to digital consumer products with a reputation for quality and reliability.
- **Keys to Success-** The following aspects will be instrumental in MEJKO's success.
 - Raising capital investment to execute the business plan and realize its financial and business goals.
 - Flush Sales for the first 12 to 18 months and match the projected numbers
 - Contain costs and aim for higher margins to be more profitable and enhance the bottom line.
 - Aim for 100% satisfaction of all the customers in the US and worldwide.
 - Communicate its value proposition to the relevant customer segments in an effective and efficient manner.

Competitive Advantage

The company's main competitive advantage lies in its product differentiation as well as cost advantage.

While the product itself is premium quality the company plans on selling the projector as a medium price range product in the US market.



**SUPERIOR
QUALITY**

**AFFORDABLE
RANGE**

Future Products

As the business progresses the company will launch new products and expand as well as diversify its product line. The key focus will be on projectors and the company plans on developing and launching new models in the future. Depending on the business performance, MEJKO will deploy its own R&D team which will be put in charge of developing new products and proprietary technology which will solidify MEJKO's reputation and position in the market.

IV

MARKET ANALYSIS

Customer Segmentation

Segment	Description
Homeowners	Home owners and individual customers who like an enhanced experience while watching television, movies or playing video games
Educators	Educational Institutions such as schools and colleges that need projectors to impart education and instructions to students
Business Organizations	Business organizations that utilize projectors for meetings and seminars

Fig 4.1. Customer Segmentation

Fig 4.1. illustrates the customer segmentation for MEJKO's projector in the US as well as worldwide market. The customer segmentation includes both b2c as well as b2b customers including homeowners, individual customers. Educational institutes, and business organizations. Speaking of demographic segmentation, the company will target high income individuals who can afford and need high quality projectors. Geographically the company will start its operations in the United States and penetrate other markets in subsequent years such as APAC and Europe.

Market Size and Growth

The overall market for digital projectors is stable and growing all over the world. For instance, globally the market size for digital projector stands around \$10 billion and is expected to grow at CAGR of 10% by 2021. The global projector market is moderately fragmented due to the presence of several vendors present across the globe. The vendors constantly make attempts to innovate in the ever-growing education and corporate sectors. Major vendors are continuously competing in terms of technology. As the technology matures and barriers are gradually addressed, the relative emphasis on core technology research, product

development, and manufacturing R&D changes, requiring the balance between these factors to be re-assessed on a regular basis.

Technology-wise the market for projectors can be segmented into three main segments as given below.

- LCoS
- LCD
- DLP

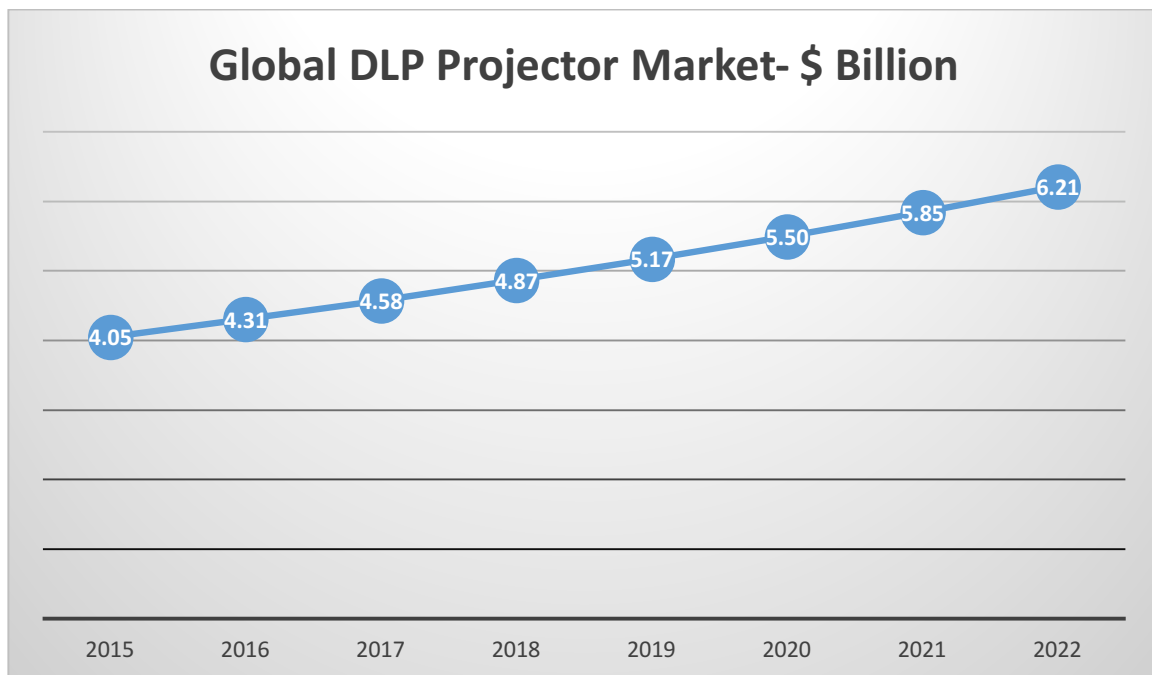


Fig 4.2. Global DLP Projector Market

MEJKO is a DLP based product that will be launched into the US as well as global market. The global market for DLP projector is expected to reach around \$5.5. billion by 2020, growing at a CAGR of 6.3% by 2020. In current scenario, DLP technology is the leading projection technology and is being used in most digital screens as well as other applications. DLP projectors operate fast and provide extremely high-contrast pictures. Moreover, DLP

projectors are generally smaller and lighter than other types of projectors. Innovative product designs such as ultra-short throw projectors have successfully addressed the challenge of projections in small space, and this market is expected to gain traction in the next five years.

Since MEJKO will mainly target the US market in the first year, the overall market is estimated to be around 20% of the global market, that is close to \$1 billion for DLP projectors in the US.

Business Opportunity

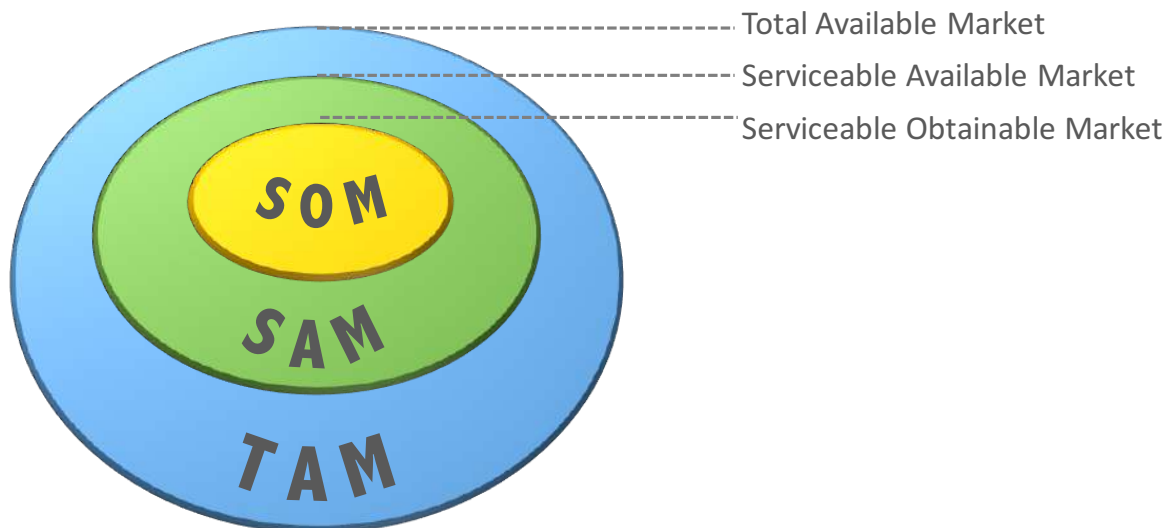


Fig 4.3. Opportunity Analysis

Fig 4.3. illustrates the market opportunity analysis for MEJKO in terms of Total Available Market (TAM), Serviceable Available Market (SAM), and Serviceable Obtainable Market (SOM).

- **TAM-** The total available market is considered to be the global market for projectors which stands around \$10 billion in annual value.
- **SAM-** The serviceable available market is the market for DLP projectors in the US which is close to \$1 billion.

- **SOM-** The serviceable obtainable market is based on the revenue projections of the company which is around

Other Relevant Trends

- **Rising Levels of Disposable Income-** The overall disposable income in the US is on a sharp increase in the last decade. This translates into more demand and spending on consumer products by households and individuals. This is good news for MEJKO as the company will be selling premium products in the US and global market.
- **Increasing Digitalization in Education-** There is increasing digitalization in the education sector and schools and colleges are increasingly utilizing computers and gadgets such as projectors to impart education. This bodes well for MEJKA as educators are one of the main target segment of the company.
- **Increasing Demand for Home Cinema Experience-** There has been a sharp increase in the demand for home entertainment systems and mainly home cinema experience. As a result, the demand for high definition projectors such as the one sold by MEJKA is going up in the US as well as the global market.
- **Business Application Holds Largest Market-** The business application is expected to hold the largest share of the DLP projector market, while the education and government segment is expected to grow at a significant between 2015 and 2020 in the DLP projector market. There is an increasing demand for feature-rich DLP projectors such as higher brightness, interactive, ultra-short and short throw, and portability in these key applications.

Competitive Landscape



Fig 4.4. Competitive Mapping

The overall market for digital projectors is fragmented as there are a number of vendors all over the world that sell projectors. Some of the notable companies that sell high quality projectors are Sony, Canon, Epson, JVC, etc. The DLP based projectors hold the largest market share globally followed by other technologies such as LCoS and LCD. MEJKO TeVee is going to be high quality product that will be launched into the US market at an affordable price range. The company's main competition will arise from other brands such as Xiaomi that also sell similar products in the market. In order to counter the competition MAEJKO will offer similar products such as MEJKO TeVee at lower price range. The company's main mission is to acquire the niche of High quality but medium cost product in the market.

V SWOT ANALYSIS

SWOT Analysis Canvas

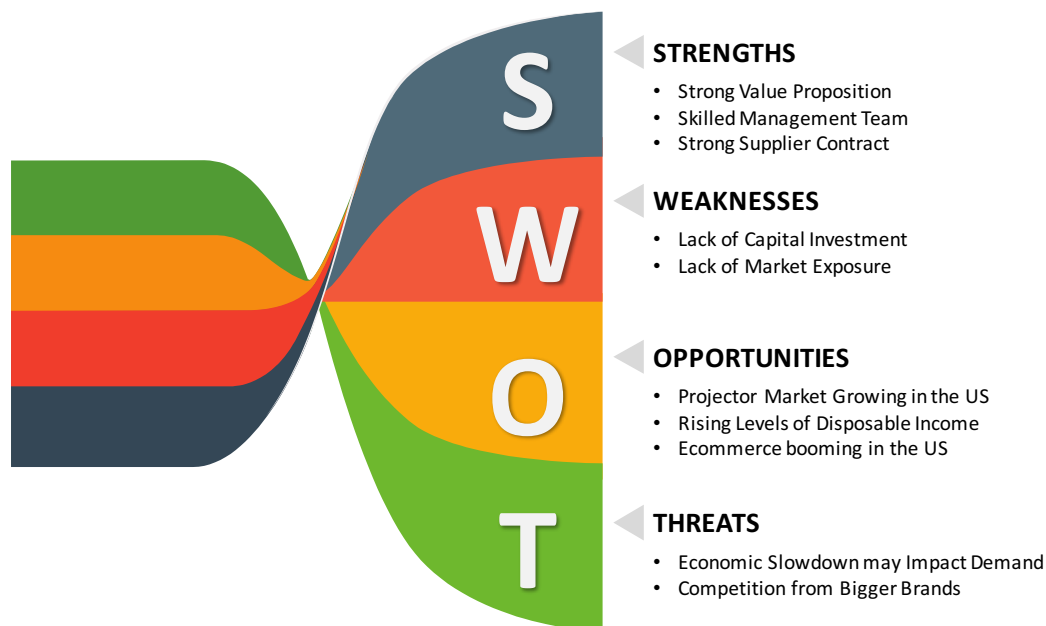


Fig 5.1. SWOT Canvas

Takeaways

Strengths

MEJKO's key strength lies in its strong value proposition. The company offers a high quality product at an affordable price range in the market which is a unique position for the company. Furthermore, the company is backed by a strong and skilled management team. The company also derives its strength from the strong supplier contract it has established with a high quality manufacturer in China.

Weaknesses

The company is weak in the sense that it lacks adequate capital investment to be able to fully execute the business plan and realize its financial as well as business goals as envisioned. Consequently, MEJKO has limited to no market exposure at this point of time. The company aims to address this weakness by raising funds via the business plan.

Opportunities

There are strong opportunities in the market that MEJKO can leverage for instance, the overall projector market in the US is strong and growing. Furthermore, the ecommerce segment is also stable and growing in the US and this favors MEJKO as the company plans on selling its products primarily via ecommerce. Lastly, the overall disposable income in the US is rising considerably in the past decade, indicating more money in average customer's pocket to spend on consumer products such as MEJKO TeVee.

Threats

The major threat for MEJKO arises out of competition from other well established brands in the market that offer similar products. As a new company, MEJKO will have to focus on its positioning and communicating its value proposition to attract consumers. Last but not the least, a major economic slowdown may impact demand for products such as MEJKO's negatively, however the likelihood of that happening is quite low in the near future as the US economy continues to grow strongly.

VI

OPERATIONS PLAN

Value Chain Analysis

MEJKO's operations will be segmented into two major phases. First phase will include MEJKO outsourcing its manufacturing to a manufacturer in Shenzhen, China. The second phase will include MEJKO setting up its own plant in Maharashtra, India, from the second year onwards and assembling its own product in the manufacturing plant.

Phase I

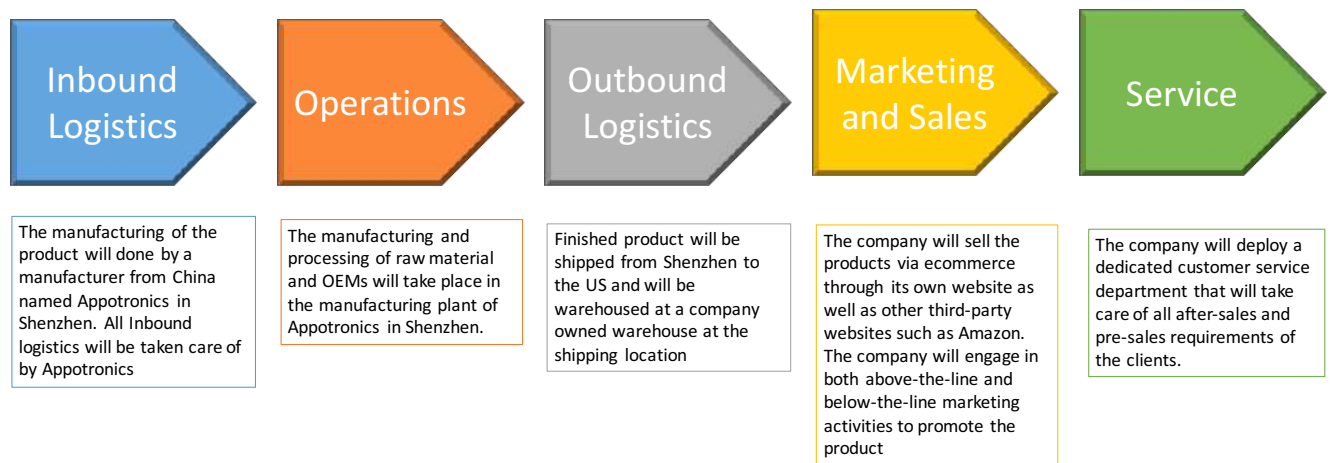


Fig 6.1. Phase I- Value Chain Analysis

Fig 6.1. illustrate the value chain of MEJKO in phase I from inbound logistics, operations, and outbound logistics to marketing and sales and service.

Inbound Logistics

The product will be manufactured by a high-quality manufacturer called Appotronics in China from the Shenzhen province. All the inbound logistics activities such as purchase of raw materials and OEM and warehousing of the same will be taken care of by Appotronics in Shenzhen, China.

Operations

After the OEM and raw material has been purchased and warehoused the processing of the same into finished product will be carried out in the manufacturing plant of Appotronics in Shenzhen, China. The finished products will be warehoused in the company warehouse of Appotronics to be shipped to the US to MEJKO.

Outbound Logistics

The finished product will be shipped from Shenzhen to a port in the US and warehoused in a company owned/rented warehouse at the shipping location. MEJKO is considering three main options to choose from for the purpose of outbound logistics and warehousing namely, Indianapolis, East Coast or West Coast. The shipping and warehousing location will be decided on the basis of several factors such as cost of shipping to the end user in the US from the shipping location, warehousing and maintenance costs and facilities, regulatory factors, etc.

Marketing and Sales

MEJKO plans on selling the product via ecommerce through its own website as well as other third-party websites such as Amazon and EBay. The company may opt for third-party physical retailers in the future depending on the sales and demand for the product. The company will engage in aggressive marketing through both, above-the-line and below-the-line channels. For more information on marketing and sales please refer to chapter 7.

Service

Customer service will be a major part of the overall sales strategy of MEJKO. For the purpose of the same, a dedicated customer service department will be deployed that will take care of customers online as well as telephonically. The customer service department will deal with the customers in both pre-sales as well as after-sales stage of service. Depending on the demand

and volume sold of the product in the future, the company may opt to outsource the customer service wing to a high-quality service provider.

Phase II

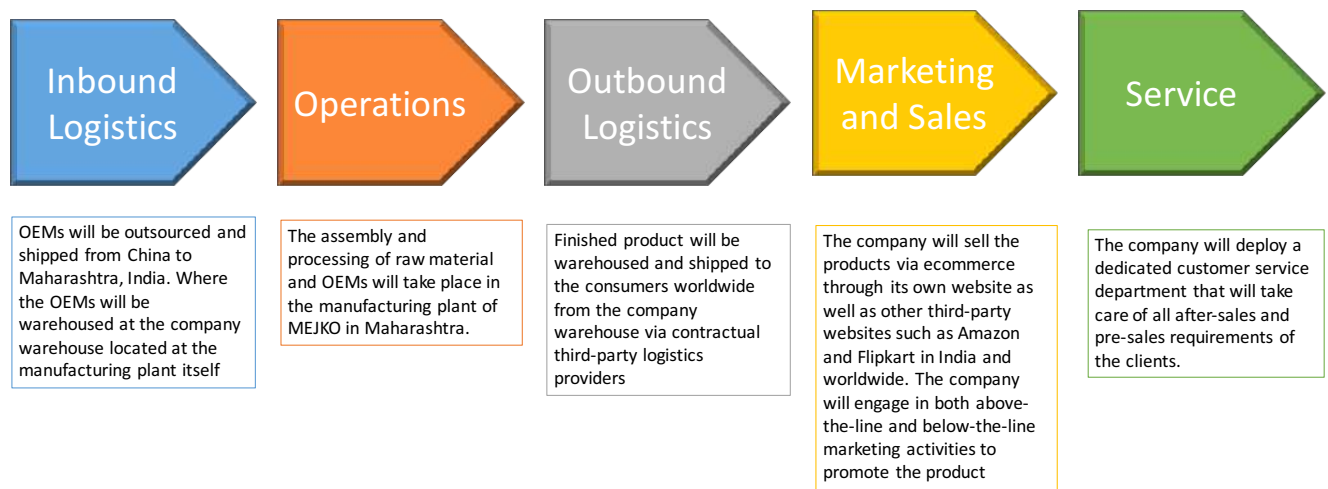


Fig 6.2. Phase II- Value Chain Analysis

Fig 6.2. illustrate the value chain of MEJKO in phase II from inbound logistics, operations, and outbound logistics to marketing and sales and service.

Inbound Logistics

MEJKO will outsource and purchase OEMs from Chinese manufacturers and get the same shipped to Maharashtra, India from China, where the OEMs will be received and warehoused at the company warehouse located in the company owned manufacturing plant in Maharashtra itself.

Operations

The OEMs and other equipment will be processed and assembled at the company manufacturing plant to produce the finished product that is the MEJKO TeVee laser projector.

Outbound Logistics

The finished product will be packaged and warehoused at the company warehouse in the manufacturing plant. The finished product will be shipped from the warehouse directly to customers in India and worldwide via third-party logistics providers contracted by MEJKO.

Marketing and Sales

MEJKO plans on selling the product via ecommerce through its own website as well as other third-party websites such as Amazon and EBay. The company may opt for third-party physical retailers in the future depending on the sales and demand for the product. The company will engage in aggressive marketing through both, above-the-line and below-the-line channels. For more information on marketing and sales please refer to chapter 7.

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Risk Management

Risk Category	Risk Type	Mitigation
Internal Risks	<u>Cash Flow</u> Low operating cash flow and liquidity might hamper ongoing performance	The company will maintain a permanent contingency fund. In addition there will be special arrangements with the investors to aid crucial cash-related contingencies
	<u>Employee Turnover</u> Sudden or abrupt departure of key employees will cause brain drain and might result in lost competencies and performance issues	Robust employee contracts will prevent key employees from quitting abruptly. Knowledge management systems will be put in place to document best practices and know-how
	<u>Quality Control</u> An unhappy customer could be the bane of a startup, lackluster quality control will diminish brand reputation and business performance	Dedicated account management and customer service will be put in place to keep customers happy and satisfied. Regular customer feedback and survey system to monitor quality
External Risks	<u>Intellectual Property</u> Lack of IP protection and enforcement may result in passing off and hurt brand equity	All trademark and brand will be registered and protected under IP laws of the US and international conventions. Unique Internal know-how and best practices will remain trade secrets. Strict legal action will be taken against infringers to set examples
	<u>Law Suits</u> An expensive lawsuit can be the demise of a startup.	An able legal department will liaison and coordinate with law firms, attorneys and the aggrieved parties to manage lawsuits amicably.

VII

MARKETING AND SALES

Value Proposition

Value Proposition Canvas

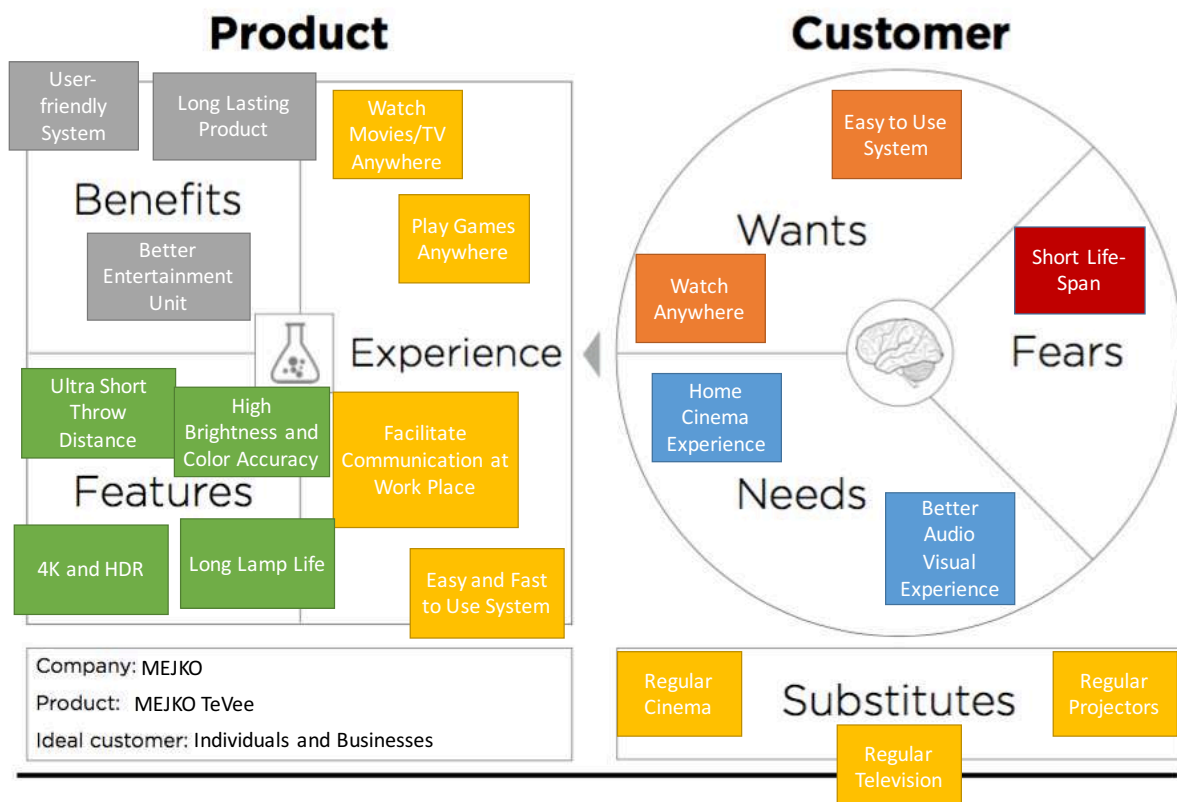


Fig 7.1. MEJKO's Value Proposition Canvas

MEJKO's value proposition is strong and unique and is based upon the special features and specifications of the product. An average customer in the market desired for a better audio visual experience at home as well as at workplace that regular systems and alternative such as television and regular projectors are unable to deliver. Furthermore, an average customer is also worried about the lifespan of the product. Another limitation of regular projectors is that it requires large distance projection so it cannot be used in closed spaced or smaller rooms.

MEJKO addresses all these needs, desires and limitations and offers a unique product that facilitates better experience and benefits over its regular alternatives and substitutes such as regular projectors and televisions. MEJKO TeVee's value proposition can be broken down as given below.

- **Superior Audio and Visual Experience-** The product delivered superior audio-visual experience in comparison to regular projectors and televisions. The product supports 4K and High Definition Resolution (HDR) and can project a larger and brighter image. The product comes with high definition speakers as well for a quality sound experience.
- **Use Anywhere-** MEJKO TeVee is equipped with ultra-short throw technology so it can be used anywhere and even in closed spaces and smaller rooms without any difficulty.
- **Long Life Span-** The product comes with a long-life span lamp that can last up to 25,000 hours ensuring that customers make a long-term investment when they buy the MEJKO TeVee.
- **High Quality, Affordable Price-** Last but not the least, MEJKO TeVee is a high quality product that has been manufactured with premium quality OEMs and components. However, the company offers the product at a medium price range in comparison to its competitors so the customers can avail high quality experience at reasonable expense.

The overall value proposition of MEJKO TeVee can be summarized in the following statement.

**“Superior and High Quality Audio-Visual experience with a User-Friendly Product
available at an Affordable Price Range”**

Go-to-Market Strategy

Marketing Mix

- **What are we selling?**

MEJKO is selling a superior entertainment and audio-visual experience at an affordable price range which is something that is unique to MEJKO as most high quality projectors in the market are available at expensive price range. The company wishes to enable its customers avail high definition and easy to use system at a pocket friendly cost.

- **Who we are selling to?**

The company wishes to sell MEJKO TeVee to b2c as well as b2b customers that is individuals such as home owners and businesses such as companies and organizations.

- **How are we selling?**

The company will sell the product primarily through ecommerce via its own website as well as other third party ecommerce websites such as Amazon and EBay. The company may plan on selling via third-party retail channels depending on the future performance of the company and the demand for its products.

- **Where are we selling?**

The company plans on prioritizing the US market in the first year although the product will be available for sale globally. The company will focus on other high growth markets in subsequent years such as Asia Pacific and Europe in subsequent years.

Pricing Strategy

MEJKO's pricing strategy will be based on as cost-based pricing as well as price-based costing. Cost-based pricing is where the overall cost of manufacturing one unit is considered and price-based costing is where customer's willingness to pay for a product is considered. In terms of cost-based pricing the company is hoping to get the product from the manufacturer in China at around \$800 to \$1000 per unit. Therefore, the minimum cost to breakeven would be considered around \$1000 per unit. Now in terms of price-based costing, similar products in the market are available at a price range higher than \$2000, however, the company wants to position itself as a high-quality, medium price seller. In light of the aforementioned, the company will initially price its product at close to \$1500. Depending on the sale and demand of the product in the near future the prices may go down and the product may be sold at a cheaper price.

Advertising and Promotion

Above-the-line Tactics

- **Search Engine Marketing-** MEJKO will engage in search engine marketing such as Google AdWords to enhance the visibility of its website and product on search engines such as Google.

- **Search Engine Optimization-** SEO tactics will further enhance the website and product visibility on search engines.
- **Social Media Campaign-** The company will engage in paid social media campaigning on popular social media platforms such as Facebook and Instagram to gain a following and popularize the product.
- **YouTube Campaign-** The company will engage in paid YouTube campaigning by promoting its channel as well as displaying banner and video ads on the platform.
- **PR Campaign-** There will be press releases about the company and its products to inform about the startup and its attractive offering to its customers.
- **Blogs and Articles-** The company will deploy a dedicated team of copywriters and content writers to furnish blog posts and articles about the product on popular blog and tech websites.
- **Ecommerce Optimization-** Ecommerce optimization will include improving product description on websites such as Amazon and garnering positive reviews from early customers to boost the popularity of the product on such platforms.

Below-the-line Tactics

- **Email/SMS Marketing-** MEJKO will engage prospective customers through targeted marketing via bulk email and SMS services.
- **Events and Seminars-** The company will organize, participate in and sponsor events such as startup seminars and local events to promote its brand at a local level.

- **Trials and Promotion in Malls-** MEJKO TeVee will be featured and exhibited in promotional campaigns in popular shopping malls and tech events.

Sales Strategy

The company's sales strategy will be based mainly on ecommerce as the company will sell MEJKO TeVee principally through websites such as Amazon and other similar platforms. The company will lay key focus on quality product descriptions and garnering positive reviews from early customers to boost the popularity of the product. The company will also deploy a dedicated customer service department that will assist prospective customers in purchasing the product by providing essential information and take care of after sales service as well to boost customer satisfaction.

Sales Forecast

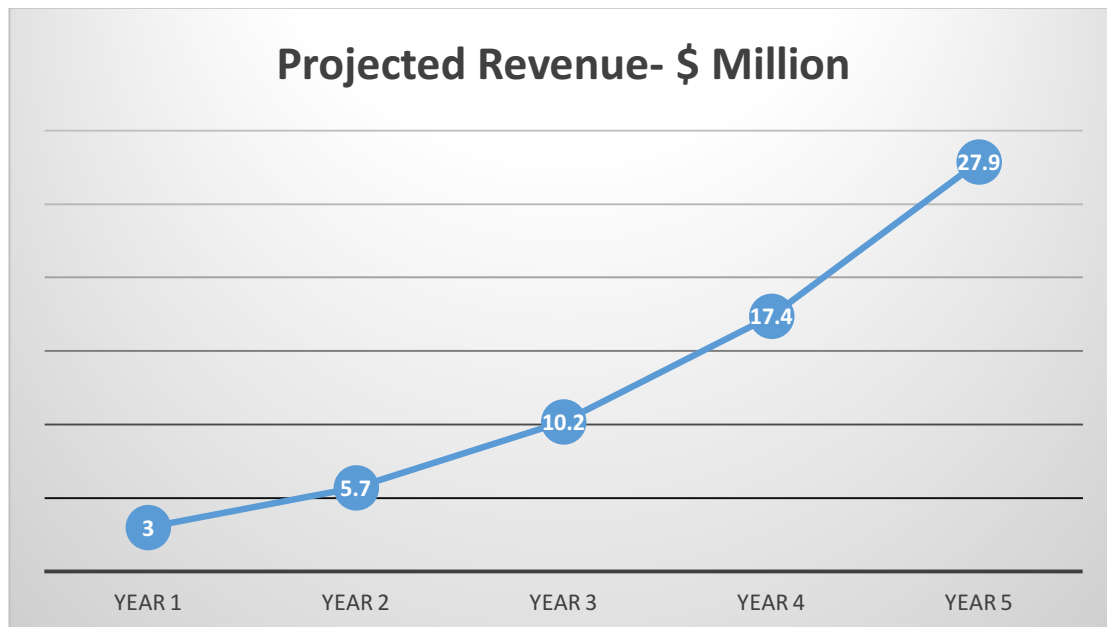


Fig 7.2. Projected Revenue

Projected Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Price Per Unit					
MEJKO TeVee	1,500	1,500	1,500	1,500	1,500
Number of Units sold					
MEJKO TeVee	2,000	3,800	6,840	11,628	18,605
Sales Revenue					
MEJKO TeVee	\$3,000,000	\$5,700,000	\$10,260,000	\$17,442,000	\$27,907,200
Cost Per Unit					
MEJKO TeVee	800	500	500	500	500
Direct Cost					
MEJKO TeVee	\$1,600,000	\$1,900,000	\$3,420,000	\$5,814,000	\$9,302,400

Fig 7.3. Projected Revenue Statement

Fig 7.2. and 7.3. illustrate the projected revenue over the course of next 5 years. The company is projected to grow at a CAGR of approx. 75%. The projections are based on conservative estimates and realistically depict the expected financial performance of MEJKO.

Key Milestones

Milestones	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Accumulate Inventory						
Launch Product						
Hire and Train Essential Staff						
Launch Marketing Campaign						
Initiate and Deploy R&D						

Fig 7.4. Key Milestones

VIII

HUMAN RESOURCE PLAN

Core Management

Harish Rathod- Chief Executive Officer

Tammy Johnson- Head of Operations

Viki SK- Chief Designer

Rajendra Chaudhari- Business Development Head

Chris Harris- Head of Finance-

Key Departments

Marketing and Sales- One of the core departments at the company will be marketing and sales as this will form the backbone of company's commercial activity. This department will be responsible for advertising, promotion and sales related activities and will be instrumental in revenue maximization.

Product Design- This department will be responsible for designing company products. The experts in this department will ensure that all products are designed simple yet attractively and in a user-friendly manner.

Research and Development- MEJKO plans to deploy its own R&D in the near future in order to develop proprietary technology and improve as well as diversify its product line.

Customer Service- This department will be responsible for customer relations and ensuring all customers are satisfied with the product as well as after sales service.

Other Departments- Other departments include HR, Finance and Legal and will play key roles in the overall functioning and financial as well as operational wellbeing of the company.

Projected Payroll

Personnel Plan					
	Year 1	Year 2	Year 3	Year 4	Year 5
Mgmt Team Payroll Structure (Monthly CTC)					
CEO	0	0	0	0	0
Operations Head	5,000	5,500	6,050	6,655	7,321
Senior Designer	4,000	4,400	4,840	5,324	5,856
Business Development Manager	5,000	4,000	4,000	4,000	4,000
Chief Accountant	4,000	4,000	4,000	4,000	4,000
Mgmt Team Payroll					
CEO	0	0	0	0	0
Operations Head	60,000	66,000	72,600	79,860	87,846
Senior Designer	48,000	52,800	58,080	63,888	70,277
Business Development Manager	60,000	48,000	48,000	48,000	48,000
Chief Accountant	48,000	48,000	48,000	48,000	48,000
Mgmt Team Total Payroll	\$216,000	\$214,800	\$226,680	\$239,748	\$254,123
Personnel Team Size					
HR Executive	1	1	1	1	1
Digital Marketing Executive	1	1	1	1	1
Marketing Manager	1	1	1	1	1
Office Admin	1	1	1	1	1
Warehouse Supervisor	0	1	1	1	1
Warehouse Workers	0	5	5	5	5
Plant Supervisor	0	1	1	1	1
Plant Workers	0	20	20	20	20
Misc Staff	0	5	5	5	5
Total No. Of Personnel	4	36	4	4	4
Personnel Team Payroll Structure (Monthly CTC)					
HR Executive	3,000	3,300	3,630	3,993	4,392
Digital Marketing Executive	4,000	4,400	4,840	5,324	5,856
Marketing Manager	5,000	5,500	6,050	6,655	7,321
Office Admin	3,000	3,300	3,630	3,993	4,392
Warehouse Supervisor	600	600	600	600	600
Warehouse Workers	200	200	200	200	200
Plant Supervisor	600	600	600	600	600
Plant Workers	200	200	200	200	200
Misc Staff	200	200	200	200	200
Personnel Team Payroll					
HR Executive	36,000	39,600	43,560	47,916	52,708
Digital Marketing Executive	48,000	52,800	58,080	63,888	70,277
Marketing Manager	60,000	66,000	72,600	79,860	87,846
Office Admin	36,000	39,600	43,560	47,916	52,708
Warehouse Supervisor	0	7,200	7,200	7,200	7,200
Warehouse Workers	0	12,000	12,000	12,000	12,000
Plant Supervisor	0	7,200	7,200	7,200	7,200
Plant Workers	0	48,000	48,000	48,000	48,000
Misc Staff	0	12,000	12,000	12,000	12,000
Personnel Staff Total Payroll	\$180,000	\$284,400	\$304,200	\$325,980	\$349,938
Company Subtotal Payroll	\$396,000	\$499,200	\$530,880	\$565,728	\$604,061

Fig 8.1. Hiring Plan and Projected Payroll

Fig 8.1. illustrates the hiring plan and projected payroll over a period of the next five years. The salaries are calculated as per US standards and an increase of 10% each year is accommodated to account for inflation.

IX FINANCIAL PLAN

Key Assumptions

- Inflation rate is assumed at 10% each year and consequently certain costs such as the payroll will show an annual increase accordingly.
- In light of the market research, the overall market for projectors in the US is assumed to be stable and the demand to grow in the foreseeable future.
- All projections are made assuming the company will be able to raise the required amount of equity to execute the business plan
- Factors such as disposable income and overall US economy is assumed to be stable and growing resulting in increased demand for products such as MEJKO TeVee.
- The overall requirement and demand for high quality projectors in other segments such as the education and the business sector assumed to be growing and stable.

Funding Requirements

Expenses	Amount
Inventory	400,000
Payroll	396,000
Sales, Marketing & Other Expenses	29,881
Rent	17,143
Utilities	8,571
Insurance	1,429
Contingency Fund	42,651
Total Funds Required	\$895,675

Fig 9.1. Funding Requirements

MEJKO is seeking to raise approx. \$900,000 to realize its financial and business goals as per the business plan. MEJKO has the product in the pipeline and the supplier contracts needed for manufacturing and procurement of the product to be shipped and sold in the US market. For the purpose of realizing its financial and business goals in terms of revenue, the company is seeking investment to purchase initial inventory and take care of the major operational expenses in the first year.

Projected Income Statement

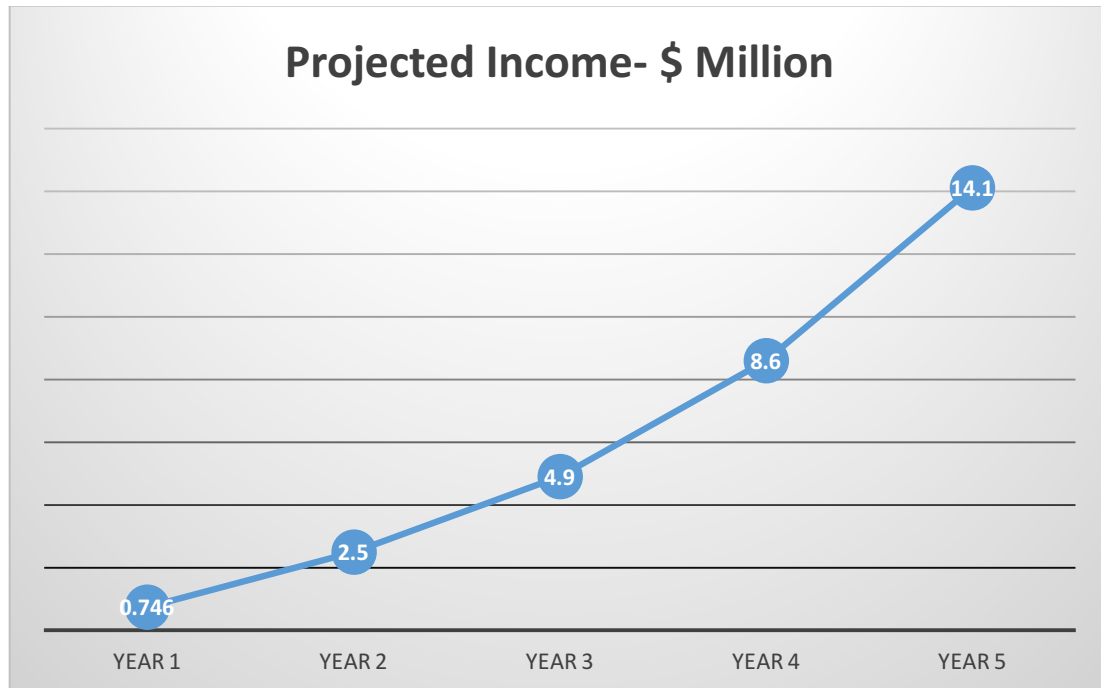


Fig 9.1. Projected Income

Projected Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	3,000,000	5,700,000	10,260,000	17,442,000	27,907,200
Cost of Revenue	1,600,000	1,900,000	3,420,000	5,814,000	9,302,400
Gross Profit	\$1,400,000	\$3,800,000	\$6,840,000	\$11,628,000	\$18,604,800
Gross Margin%	46.67%	66.67%	66.67%	66.67%	66.67%
Expenses					
Payroll	396,000	499,200	530,880	565,728	604,061
Sales, Marketing & Other Expenses	29,881	34,856	40,618	47,416	55,444
Rent	17,143	18,857	20,743	22,817	25,099
Utilities	8,571	9,429	10,371	11,409	12,549
Insurance	1,429	1,429	1,429	1,429	1,429
Maintenance & Repair	1,429	1,429	1,429	1,429	1,429
Misc	1,000	1,000	1,000	1,000	1,000
Total Operating Expenses	\$455,453	\$566,199	\$606,470	\$651,227	\$701,011
Profit Before Interest & Taxes	\$944,547	\$3,233,801	\$6,233,530	\$10,976,773	\$17,903,789
Interest Expense	0	0	0	0	0
Taxes Incurred	198,355	679,098	1,309,041	2,305,122	3,759,796
Net Profit	\$746,192	\$2,554,703	\$4,924,489	\$8,671,651	\$14,143,994
Net Margin%	24.87%	44.82%	48.00%	49.72%	50.68%

Fig 9.2. Projected Income Statement

The company is expected to attain profitability from the first year onwards due to large margins and thereafter grow substantially in terms of net income and overall net margin as the company achieves economies of scale and increase its relative sales volume. The overall cost will be brought down due to the manufacturing in India in phase 2.

Projected Cash Flow Statement

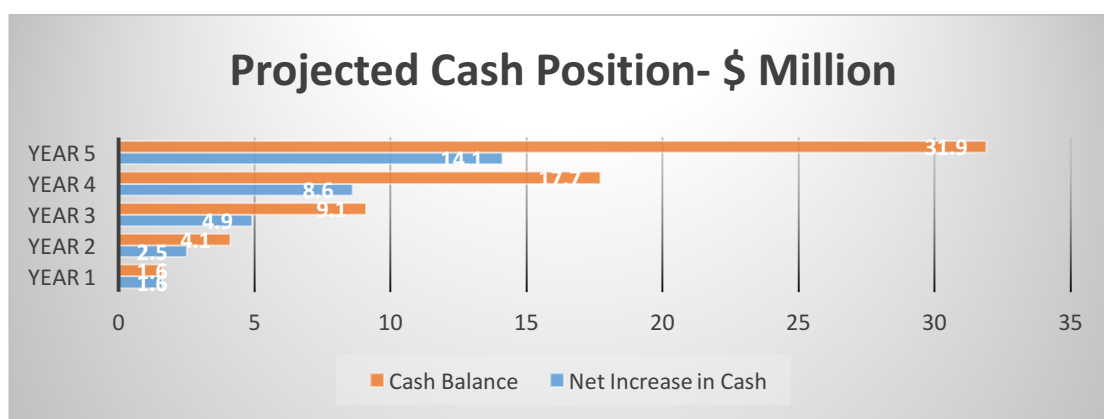


Fig 9.3. Projected Cash Position

Projected Cash Flow Statement						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Operations						
<i>Cash Receipts from</i>						
Sales	3,000,000	5,700,000	10,260,000	17,442,000	27,907,200	
<i>Cash Paid for</i>						
Cost of Revenue	1,600,000	1,900,000	3,420,000	5,814,000	9,302,400	
Payroll	396,000	499,200	530,880	565,728	604,061	
Sales, Marketing & Other Expenses	29,881	34,856	40,618	47,416	55,444	
Rent	17,143	18,857	20,743	22,817	25,099	
Utilities	8,571	9,429	10,371	11,409	12,549	
Insurance	1,429	1,429	1,429	1,429	1,429	
Maintenance & Repair	1,429	1,429	1,429	1,429	1,429	
Misc	1,000	1,000	1,000	1,000	1,000	
Interest	0	0	0	0	0	
Income Tax	198,355	679,098	1,309,041	2,305,122	3,759,796	
Net Cash Flow from Operations	\$746,192	\$2,554,703	\$4,924,489	\$8,671,651	\$14,143,994	
Financing Activities						
<i>Cash Receipts from</i>						
Issuance of Stock	895,675	0	0	0	0	
Borrowing	0	0	0	0	0	
<i>Cash Paid for</i>						
Repurchase of Stock	0	0	0	0	0	
Repayment of Loans	0	0	0	0	0	
Dividends	0	0	0	0	0	
Net Cash Flow from Financing Activities	\$895,675	\$0	\$0	\$0	\$0	
Net Increase in Cash	\$1,641,868	\$2,554,703	\$4,924,489	\$8,671,651	\$14,143,994	
Cash at the Beginning of the Year	\$0	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	
Cash Balance	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	

Fig 9.4. Projected Cash Flow

Fig 9.3. and 9.4. illustrate the projected cash position of the company based on revenue, income and overall funding received. The company's cash balance is expected to grow after the first year substantially as the company will be able to cut down on costs in phase 2 by shifting its operations to India.

Projected Balance Sheet

Projected Balance Sheet						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Assets						
Current Assets						
Cash	1,641,868	4,196,570	9,121,059	17,792,710	31,936,704	
Other Current Assets	0	0	0	0	0	
Total Current Assets	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	
Long-term Assets						
Long-term Assets	0	0	0	0	0	
Accumulated Depreciation	0	0	0	0	0	
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	
Total Assets	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	
Liabilities & Capital						
Current Liabilities						
Account Payable	0	0	0	0	0	
Current Borrowing	0	0	0	0	0	
Other Current Liabilities	0	0	0	0	0	
Total Current Liabilities	0	0	0	0	0	
Long-term Liabilities	0	0	0	0	0	
Total Liabilities	0	0	0	0	0	
Paid-in Capital	895,675	895,675	895,675	895,675	895,675	
Retained Earnings	0	746,192	3,300,895	8,225,384	16,897,035	
Earnings	746,192	2,554,703	4,924,489	8,671,651	14,143,994	
Total Capital	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	
Total Liabilities & Capital	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	
Net Worth	\$1,641,868	\$4,196,570	\$9,121,059	\$17,792,710	\$31,936,704	

Fig 9.5. Projected Balance Sheet

Fig 9.5. illustrate the projected balance sheet of MEJKO over the course of next five years post launch.

Business Ratios

Ratio Analysis						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sales Growth	n/a	90.00%	80.00%	70.00%	60.00%	
Percent of Total Assets						
Cash	100.00%	100.00%	100.00%	100.00%	100.00%	100.000%
Total Current Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.000%
Total Capital	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Worth	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percent of Sales						
Gross Margin	46.67%	66.67%	66.67%	66.67%	66.67%	66.67%
Cost of Revenue	53.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Payroll	13.20%	8.76%	5.17%	3.24%	2.16%	2.16%
Sales, Marketing and Other Expenses	1.00%	0.61%	0.40%	0.27%	0.20%	0.20%
Total Operating Expenses	15.18%	9.93%	5.91%	3.73%	2.51%	2.51%
Profit Before Interest & Taxes	31.48%	56.73%	60.76%	62.93%	64.15%	64.15%
Net Margin	24.87%	44.82%	48.00%	49.72%	50.68%	50.68%
Main Ratios						
Pre-Tax Return on Net Worth	57.53%	77.06%	68.34%	61.69%	56.06%	56.06%
Pre-Tax Return on Assets	57.53%	77.06%	68.34%	61.69%	56.06%	56.06%
Return on Equity	45.45%	60.88%	53.99%	48.74%	44.29%	44.29%

Fig 9.6. Balance Sheet

Fig 9.6. illustrate the important business ratios based on the five-year projections.