

Name of the Unit: Infinity Technologies

Address of the Unit : Cantonment Road, Bhati Abhoynagar,

P.O – Agartala, District : West Tripura

State: Tripura , Pin- 799001.

Type of Unit : Proprietorship

Total Project Cost : Rs.3 ,00,000.00

Owner's Contribution@5% : Rs.15,000.00

Loan Amount@95% : Rs. 2,85,000.00

BACKGROUND OF ENTREPRENEUR

Name of the Entrepreneur : Sanjib Bhowmik.

Father's Name: Sri Jatindra Chandra Bhowmik (Ex Govt. Employee)

(Presently Elected Member of Panchayat Samity)

Permanent Address : Vill+P.O:- Bijoy Nagar, P.S-Sidhai, Mohanpur, Sadar, Tripura(W).

Date of Birth : 28-04-1982

Nationality: Indian

Caste : OBC

Telephone : 9206148157/ 9774141159

E-Mail: itechagt@gmail.com

Qualification :

Bachelor of Technology (B.TECH) in Computer Science and Engineering.

Certificate Course:

1. NETWORK ADMINISTRATION USING LINUX from Hewlet Packard (HP).
2. ESDP On Computer Hardware Maintenance from MSME-DI Kolkata.

Technical Experience:

1. Three Years Field Experience in the field of Hardware & Networking as Self Employed.

INTRODUCTION

Executive Summary

Infinity Technologies is in the process of being formed as a sole proprietorship owned and operated by Sanjib Bhowmik. This plan is written as a guide for starting and managing this new business and will also serve as the basis for a separate, detailed marketing plan. Following is a summary of the main points of this plan.

- The objectives of ITECH are to generate a profit, grow at a challenging and manageable rate, and to be a good citizen.
- The mission of ITECH is to provide fast and reliable technical assistance to small office computer users.
- The keys to success for ITECH are marketing and networking, responsiveness and quality, and generating repeat customers.
- The initial primary service offered will be highly technical aid, although retainer or annual contracts and projects will be considered in the future growth.
- The local market for this business, while not new, is wide open for new and expanding Service firms.
- An initial financial analysis of the viability of this venture shows outstanding promise and results. Several sources note that the Computer Support business is easy to start, requires little up-front capital, and has the potential to be quite lucrative in today's high tech world.

This plan projects rapid growth and high net profits over the next three years, implementing this plan, in conjunction with a comprehensive and detailed marketing plan, will ensure that Infinity Technologies rapidly becomes a profitable venture for the owner.

Keys to Success

- Marketing and Networking.
- Knowledge & Skill about Technology.
- Responsiveness (being an on-call computer paramedic with fast response time).
- Quality (getting the job done right the first time, offering 100% guarantee).
- Relationships (developing loyal repeat customers – AMC or Retainers)

Mission

Infinity Technologies' mission is simple and straightforward:

- Purpose - ITECH exists to provide fast, reliable technical assistance to local business/small office/home office computer users. ITECH sells solutions & results!
- Vision - By providing fast response, informed expertise, and consistently high quality solutions, ITECH generates enough satisfied repeat customers to provide a stable retainer base. This generates sufficient profit to provide a comfortable living for the owner.
- Mission - The short term objective is to start this company quickly and inexpensively, with a minimum of debt. The long term objective is to grow the company into a stable and profitable entity that the owner can easily and comfortably manage.
- Marketing Slogan - "Infinity Technologies – Technology Redefine."

Objectives

1. **Profit** - To generate sufficient profit to finance future growth and to provide the resources needed to achieve the other objectives of the company and its owner. (Net profit of at least 45% of sales in first year).
2. **Growth** - To grow the business at a rate that is both challenging and manageable, leading the market with innovation and adaptability. (Grow from 24 billable hours/week at end of Year 1 to 35 hours/week in Year 3).
3. **Citizenship** - To be an intellectual and social asset to the community and environment. (Contribute 5 hours per week as volunteer contribute 5% of pretax profits to charity).

MARKET POTENTIAL

Market Analysis Summary

Infinity Technologies will adopt a fairly intently focused market strategy.

- A logical segmentation breaks the market down into the following: Home Office Businesses, Small Businesses, Medium Businesses and Large Businesses. Descriptions are provided below.
- The largest and most logical target markets for ITECH are the Home Office and Small Businesses. These businesses mostly have a need for temporary technical aid, usually billed at an hourly rate. Some opportunity does exist, however, for retainer and/or specific project contracts.
- While there are a fair number of competitors in the local area, they seem to be widely specialized and widely sized, leaving ample opportunity for ITECH to create and expand a niche in the chosen market segments.
- Finally worth noting is the growth trend for this market, estimated at around 9 to 10 percent annually through the beginning of the next century.

Market Segmentation

The following chart and table reflect the market segmentation for this business. The size and growth numbers are based on India Census data for the local region.

- **Home Office Businesses** - The largest and fastest growing segment, this segment is obviously defined as small businesses that are based primarily out of the owner's home. This is not the same as simple home computer users, which sources warn are NOT a viable market segment for computer consulting.
- **Small Businesses** - Defined by the government as businesses with 1 to 99 employees, this is the second largest and fastest growing segment in Karnataka.
- **Medium Businesses** - 100 to 499 employees.
- **Large Businesses** - 50000 or more employees.

The first two segments comprise the bulk of opportunity for Infinity Technologies.

Target Market Segment Strategy

Entrepreneur Magazine suggests six market segments as a starting point:

- Businesses not using computers.
- Small entrepreneurial businesses using one or more computers
- Small to medium sized corps using computers on networks
- Large corps seeking problem-solving assistance (trouble-shooting) with specific projects
- Government agencies, corporations, and other organizations in search of computer training
- Businesses in search of custom computer programming services

Infinity Technologies will focus on the top market segments only - an intently focused marketing strategy.

Market Trends

Three primary market trends seem to be most important in this industry:

- Trend #1 - *most important* -rapid growth in technology, need for continuous upgrades in both hardware and software.
- Trend #2 - *moderately important* -predicted continued growth in consulting/outsourcing - companies being unwilling to pay fixed costs of salaries, choosing instead to treat computer upgrades and repair as variable costs.
- Trend #3 - *least important* - rapid growth in ratio of SOHO businesses to traditional medium sized businesses.

These trends are predicted by industry experts to continue well into the next century.

Market Growth

As noted in the previous section, several factors are predicted to continue well into the next decades, not the least of which is the growth rates for this market:

- *Growth rate citation* - Entrepreneur Magazine says that the consulting industry in general will continue to grow at an annual rate of 9.1%
- *Growth rate citation* - Census data for each identified segment in the Bangalore area roughly parallel this growth rate.
- *Growth rate citation* - Chamber of Commerce published data supports the Census data, predicting continued and rapid growth particularly in the small office/home office market segment.

Market Needs

According to Entrepreneur Magazine, experts in the consulting industry have identified three different opportunities that exist for computer consultants:

1. Temporary Technical Aid

- Short term assignments finding solutions for businesses - this is noted as the largest market

2. Specific Skill - the largest area is software specialty, the second largest area

- System setup & purchasing guidance
- Systems reengineering/optimization
- Network Admin
- Training
- Repair
- Database/Application development
- Data Storage
- Disaster Recovery
- Security/Data Protection
- Telecommunications

3. Bail-Out (Trouble shooting)

According to Entrepreneur Magazine, private home computer users are NOT a viable market for computer Hardware Support firm.

Service Business Analysis

The computer service business for the local area is already well established, yet still allows ample opportunity for entry and growth for new participants. This is supported by the following points:

- While there already exist a large number of consultants, there is also a wide range of sizes and specialties. This leaves plenty of opportunity for ITECH to find and develop a particular niche.
- Customers in this industry tend to be loyal, relying on the same consultant for future needs once a relationship has been established.
- An analysis of ITECH's main competitors shows no overwhelming strengths that would be significant barriers to ITECH's success. Likewise, identifying competitor's weaknesses has illuminated several areas that ITECH can target as marketing strategies.

In short, this business arena, while no longer brand new, is far from exhausted as an opportunity for a new and aggressive company or sole proprietor. By utilizing a logical and comprehensive marketing approach, ITECH should easily find success in the computer servicing business.

The conclusion is that while there a fair number of competitors in the geographic area, they are widely specialized and widely sized. Many of the larger participants appear to cater to larger clients, thus leaving plenty of opportunity for Infinity Technologies to focus on its chosen market segments.

Main Competitors

Below are examples of a brief analysis of ITECH's main competitors.

1. Competitor 1 [name omitted]

- Top strength - A very memorable name that will stick in customer's minds.
- Primary weakness - a focus primarily on one operating system (not used by businesses).

2. Competitor 2 [name omitted]

- Top strength - Longevity and experience, someone who has been in the business locally a long time.
- Primary weakness - Slow response and an unwillingness to take on new customers.

A much more comprehensive discussion of these strategies is presented in the ITECH Marketing Plan.

Competition and Buying Patterns

As noted above, the local computer consulting industry is fragmented, with a wide variety of sizes and specialties. Two general factors of competition immediately show up in the analysis:

- The larger competitors seem to be grouped into two main categories: those who provide network expertise to large companies, and those who provide "consulting" service to products they sell.
- Of the smaller sized companies, about half still seemed to favor larger businesses as their clients.

Customer buying patterns also highlight the opportunity for Reddy Computer Consulting. While larger companies tend to hire larger consulting firms, the home business/small business owner tends to favor the personal relationship that can develop with the smaller consulting firm. Several small business owners interviewed for this research admitted being intimidated and overwhelmed by the prospect of calling a larger firm to come "rescue them." They much preferred calling a person they already knew for help.

This leads to another very important buying pattern. Customers who have established a relationship with a computer consultant tend to stay very loyal as long as the service and results remain acceptable. This will be critical to the success of a new company like ITECH.

Strategy and Implementation Summary

Infinity Technologies will focus on the following to establish and grow the business:

- Four main promotion strategies: networking and referrals, web based promotion, traditional media advertising, and some non-traditional promotion methods.
- A value proposition of timely and practical solutions, at a reasonable rate, coupled with a 100% guarantee.
- A competitive edge based on cultivating existing customer relationships.
- A comprehensive and detailed marketing and sales strategy, covered in depth in a separate marketing plan.

Strategy Pyramid

Most of the textbooks and/or experienced business people who contributed to the research for this plan suggested some combination of the following four marketing strategies. These are especially suited for a modern high tech business such as computer consulting.

- Strategy 1 - Networking & Referrals - Using existing contacts and clients to build a larger network of potential clients.
- Strategy 2 - Web promotion - Using a web page to showcase the owner's skills and knowledge, providing an "electronic brochure" as well as useful technical information free of charge.
- Strategy 3 - Advertising - Traditional methods such as Yellow Page ads, newspaper classified and display ads, local television cable access advertisements.
- Strategy 4 - Non-traditional - Creative and unique advertising such as door hangers, bumper stickers, SMS etc.

A much more comprehensive discussion of these strategies is presented in the ITECH Marketing Plan

Value Proposition

The value proposition offered by Infinity Technologies is quite simple: timely and practical solutions for client's computer problems and/or upgrades, all at a very reasonable and competitive rate. Most important, ITECH offers a 100% satisfaction guarantee, thus building and retaining the client's confidence.

Competitive Edge

ITECH's competitive edge is that the owner already has a significant number of high quality relationships with current and potential clients. In essence, ITECH has already overcome the barriers to entry in the consulting field and is simply in the process of formalizing the business.

Marketing Strategy

The topics below briefly outline the marketing strategy for Infinity Technologies. A much more comprehensive discussion of these strategies is presented in the ITECH Marketing Plan

Marketing Programs

The most important marketing program for ITECH is to get the word out, through a combination of the following:

- Sending a letter of announcement and brochure to all existing contacts and customers.
- Following the well-established steps of a public relations campaign (press releases, announcements, etc.).
- Developing and purchasing "grand opening" announcements in the local news media.

A much more comprehensive discussion of these programs is presented in the ITECH Marketing Plan

Positioning Statement

For the home business/small business owner who needs technical help with their business computers, Infinity Technologies provides fast and effective response that gets the business back up and running. Unlike [key competition], ITECH offers a 100% satisfaction guarantee.

Pricing Strategy

Infinity Technologies will adopt a price matching strategy rather than entry pricing. A survey of local consulting businesses revealed the following:

- Call Rate Pricing - The average price charged was Rs.300.00 per call attend.
- AMC Pricing - Based on the expected minimum number of calls per month, the average was Rs.150.
- Project Pricing - Based on a daily rate (8 hours x Rs.100.00/hour)

Promotion Strategy

The primary promotion strategy for ITECH will be directly in line with the strategy pyramids mentioned previously. The lead strategy will be to focus on cultivating existing relationships, using known networking techniques to develop referrals and new customer leads. Added to this will be a blend of web based marketing and traditional public relations and media marketing, the ultimate promotion strategy, however, will be in guaranteeing customer satisfaction: happy customers will generate repeat and new business.

Sales Strategy

Sales strategy for Infinity Technologies is simple and straightforward: customer satisfaction! Happy customers will be repeat customers, and they will provide referrals to new customers.

- Sales forecast figures are based on industry figures for the typical growth of a consulting startup and reflect repeat business generated through meeting customer needs.
- Sales programs must be based on the notion that business is driven on customer demand when problems arise. While some business can be generated by soliciting customers to upgrade their systems and software, by and large the bulk of the business will be emergency technical aid.

Sales Forecast

The sales figures shown below include the projection based solely on hourly rate consulting during the first year of business. Yearly figures for subsequent years include the growth of retainer and project consulting income as business grows.

Sales Literature

Infinity Technologies will start with some basic self-generated literature to establish initial positioning:

- **Logo and theme** - A national catalog sales paper goods company has a wonderful line of blank papers with a computer theme that will serve as the "itech" for Infinity Technologies. As a graphic artist, the owner has already commenced work on a matching logo.
- **Stationery** - The theme paper is available in various formats for use as company stationery.
- **Brochure** - Likewise, pre-printed paper is available, along with software templates for generating brochures
- **Web Presence** - Eventually a website will be developed as an "electronic brochure" as well as a resource site for the owner's established client base. (Refer to www.itechwb.co.in)
- **Response Templates** - As common problems/solutions are encountered and solved, a set of standardized templates for initial responses will be developed. This will shorten response time and eliminate confusion in providing quick solutions to routine issues.



SERVICES

Infinity Technologies will offer small office/home office business owners a quick-response, reliable source of technical help for their computers.

- ITECH will offer three main services - Hourly Technical Aid, Retainer contracts for specific skills or systems, and Project Consulting.
- There appear to be four main classes of competition, the largest of which consists of individual proprietors and smaller consulting firms such as ITECH. The competitive edge for ITECH will be to expand on already existing relationships.
- ITECH will start with some basic sales literature, including logo and stationary, a brochure, and a basic web page. These will be self-designed and computer generated, of course.
- Fulfillment of services will be provided exclusively by ITECH's owner.
- Technology is obviously a critical component of this business: It will be important to stay up to date on both equipment and knowledge to remain competitive in the future.

Service Description

Infinity Technologies will offer three main services, corresponding to what industry experts have identified as the primary opportunities in computer consulting:

1. **CALL BASED** (Temporary Technical Aid) - The less traditional sort of short term assignment helping a company solve a software or hardware related problem. Includes both emergency and non-emergency technical assistance.
2. **AMC** (Specific Skill) - The more traditional form of Support, including regular system maintenance, software and hardware upgrades, and network administration. The owner's particular area of expertise is in Hardware and Networking and Linux.
3. **PROJECT** (Bail-out or Specific Skill) - This will include such things as Support on major purchases, system/network installation and testing, and major disaster recovery.

Fulfillment

The fulfillment of services for ITECH is provided by the owner. The ultimate deliverable is the owner's expertise and problem solving ability, coupled with an open mind and ease of communication that will result in the customer's complete confidence in immediate and lasting results.

Competitive Comparison

There seems to be four major classes of competition in the local computer consulting industry:

- In-house IT Consultants - Usually employed by larger companies that can afford the fixed cost of a salaried or hourly employee.
- Individual proprietors & smaller consulting firms - As noted elsewhere in this plan, the bulk of Yellow Page advertisements are comprised of this group.
- Larger network and telecommunications consulting firms - Large, known-name companies such as HP/IBM/HCL that specialize in providing total IT Services to larger companies that choose to outsource.
- Computer and electronics stores offering consulting services.

Of course, Infinity Technologies fits into the largest group as a sole proprietorship. The primary reason that customers would buy/get Service from ITECH rather than competitors is the existing relationships that exist. Customer loyalty and satisfaction are the way to success for small service businesses such as this.

Technology

Technology is, of course, vital to the success of Infinity Technologies. It is imperative that the owner stay up-to-date on the latest technological developments in the computer industry. In addition, it will be important to devote a reasonable portion of each year's revenues toward upgrading the equipment and software used by ITECH in its normal operations.

FINANCIAL ASPECTS

A. Fixed Assets

a. Land & Building

Owned

b. Machinery/Computer/Tools		
Desktop Computer Qty.5@18000.00	90000.00	
Printer DeskJet All-In-One	4000.00	
Internet TATA Photon+	2500.00	
Switch+ LAN Networking	3000.00	
Service Tools /Machinery	5000.00	
		1,04,000.00

c. Furniture & Fixture

Computer Table (Reception) Qty.1	6000.00	
Executive Table Qty.1	6600.00	
Computer Table Qty.5 @ 2000.00	10000.00	
Executive Chair Qty. 4 @ 2800.00	11200.00	
Show Case For Display	15000.00	
Chair Plastic Qty.10 @300	3000.00	
Electrical Wiring	3000.00	
Light & Fan	3000.00	
Front Banner Glow Sign	5000.00	
		65,800.00

Total 1,69,800.00(A)

Loan Amount 95% = 1,61,310.00(A)

B. Pre Operative Cost

Pre Operation		
Trade License Registration	700.00	
News Paper Advertisement	5000.00	
Market Study/Survey	500.00	
Leaflet/SMS/FLEX/BANNER	5000.00	
Cable TV Advertisement	5000.00	
		16,200.00

Total 16,200.00(B)

Loan Amount 95% = 15,390.00(B)

C. Working Capital

1,14,000.00(C)

Loan Amount 95% = 1,08,300.00(C)

Total 3,00,000.00

Total Loan Amount 95% = 2,85,000.00

Recurring Expenditure (Per Month)

A. Salaries & Wages		
1.Manager(Owner)	6000.00	
2.Receptionist	3000.00	
3.Service Engineers Call Basis (Approx 2x2 Call a day)	5200.00	
		14200.00(i)

B. Raw Material/Month	Qty.	Unit Price	Total	
Spare Parts				
SMPS 450watt	2	450	900	
UPS BATTERY 12V 7 AMP	2	600	1200	
MOTHERBOARD G41/N68/ HD	1+1+2	2100	8400	
KEYBOARD MM	4	200	800	
MOUSE OPTICAL/USB	5	100	500	
DVD WRITER SATA/PATA	2	900	1800	
HDD 500GB	1	1600	3200	
LAN CARD	2	150	300	
CABLES SATA/PATA/POWER/USB	20	30	600	
BIOS BATTERY	20	15	300	
BLANK CD/DVD	100	8	800	
				18,800.00(ii)

C. Contingent Expenses/Month		
Electricity Bill	550.00	
Telephone	700.00	
Internet	750.00	
Advertisement & Publicity	1000.00	
Printing & Stationary	300.00	
Travelling & Conveyance	700.00	
Miscellaneous Expenses	1000.00	
		5000.00 (iii)

Total Recurring Expenditure(Per Month) = (i) + (ii) + (iii) =(14200+18800+5000)= **38,000.00**

Total Capital Investment

Fixed Assets	1,69,800.00
Pre Operative Cost	16,200.00
Total Working Capital on 3 Months Basis	1,14,000.00

Project Cost Total 3,00,000.00

Financial Analysis:

Cost of Production Per Annum:

Total Recurring Expenditure	4,56,800.00
Depreciation on Machinery and Equipment @10%	10,450.00
Depreciation on Office Furniture @20%	13,160.00
Interest on Total Loan* from Financial Institute @12%	34,200.00
	Total Rs. 5,14,610.00
	Or, Say Rs. 5,15,000.00

*[Total Loan Amount Rs.2,85,000.00 As Per PMEGP Scheme 95% Finance]

Turn Over Per Annum:

Product/Service	Quantity of Service	Rate	Total Values(Rs)
Hardware Support	26DaysX4ServiceX12Months=1248	300.00	3,74,400.00
Networking	2ProjectsX12Months=24	1000.00	24,000.00
IT-Training	10StudentsX1BatchX6Months=60	3600.00	2,16,000.00
AMC Services	2CustomerX12Months=24	1500.00	36,000.00
IT-Products Sales	Rs.18,800 Sales @10% ProfitX12Months	22560.00	22560.00
			Total Rs. 6,72,960.00

Profit Per Annum (Before Taxes)

Turn Over Per Annum-Cost of Production Per Annum = Rs (6,72,960.00 – 5,15,000.00)

= Rs 1,57,960.00

$$\text{Net Profit Ratio} = \frac{(\text{Profit} / \text{Annum})}{\text{Turn Over/Annum}} \times 100 = \frac{1,57,960}{6,72,960} \times 100 = \mathbf{23.47\%}$$

Break Even Point

29.31 %

Fixed Cost Per Annum:

Depreciation on Machinery and Equipment @10%	10,450.00
Depreciation on Office Furniture @20%	13,160.00
Interest on Total Financial Institute @12%	34,200.00
40% Salaries & Wages	5,680.00
40% Contingent & Utilities	2,000.00
	Total Rs. 65,490.00
	Or Say Rs. 65,500.00

$$\text{Break Even Point} = \frac{\text{Fixed Cost} / \text{Annum}}{\text{Fixed Cost/Annum} + \text{Profit}} \times 100 = \frac{65,500}{65,500 + 1,57,960} \times 100 = \mathbf{29.31\%}$$

$$\text{Rate of Return} = \frac{\text{Profit} \times 100}{\text{Total Capital Investment}} = \frac{1,57,960 \times 100}{3,00,000} = 52.653 \%$$

Address of Machinery , Computer Peripherals and Raw Material/Component Suppliers:

1. MBT INFOSYS
1,Gibson Lane,Kolkata-12
2. Eastern Logica Infoway Ltd.
16 G.C Avenue,Kolkata-12
3. Arbi Electronics
3C Madan Street,Kolkata-12
4. Otobi – Quality Tents
83 L.N. Bari Road,Agartala
5. M/S Sunil Banik
Ronaldsay Road,Agartala