





Robid Inc.


Experience digital innovation


Business Plan

2020 - 21

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Executive Summary



REMEMBER

Before you think about how to start Web Design services, you must create a detailed Web Design Company business plan. It will not only guide you in the initial phases of your startup but will also help you later on.

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Business Overview



TIP

Robid Inc. is a small firm located in Kapolei, Hawaii. We are a start-up company offering we band internet services to small businesses and institutions in Kapolei City. We offer services in website design, development, hosting, marketing, maintenance, and analysis.

We have ventured into the web service industry to offer superior an services to small businesses and institutions. Our experience and

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Objectives



TIP

- To generate revenues of \$300,000 by the end of our first year of operations.
- To attain a net profit of 30% in the first year and 40% in the second year.
- To have a 70% gross margin by the end of the first year.

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Keys to Success



TIP

- We will offer quality web services to small businesses and institutions at affordable prices.
- To build and tailor our services to small businesses.
- We will establish alliances and partnerships with Internet service providers and companies in computer consultancy.

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Mission



TIP

Our mission is to provide accessibly, and streamlined web and Internet services to small businesses and institutions. Using our system, we will offer various types of web solutions that will be tailored to serve the changing needs of our clients.

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Business Target



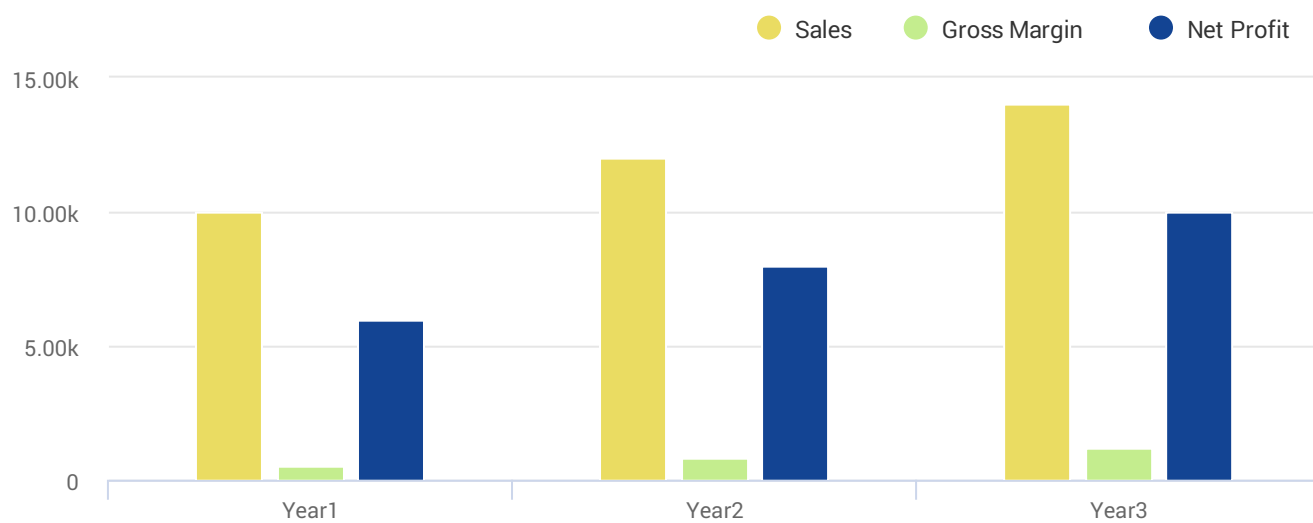
TIP

Our main business targets are summarized in the following column chart.

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3 Year profit forecast



Financial Year	Sales	Gross Margin	Net Profit
Year1	10000	500	6000
Year2	12000	800	8000
Year3	14000	1200	10000

Company Summary



TIP

Robid Inc. is a company still at the start-up stage. We will provide quality, affordable, and high-end web services to small businesses and institutions. We will also help our clients improve their existing marketing and web services. We have established a system that will help us in web development, marketing, hosting, and maintenance to offer the high-end services the bigger business get.

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Company Ownership



TIP

Robid Inc. has been incorporated and has its offices and facilities in Kapolei County, Hawaii as of September 30, 2013. The company is co-owned by Richard Walker, the chief executive officer, and David Hart, the Information Technology Director.

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Start-up Summary



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We have a well-thought-out start-up plan that will help us move forward with proper marketing tools, equipment and personnel get us started. The owners have an initial cash investment of \$50,000 each to acquire office furniture, software, and computers. To make the kick-off of our operations faster, the owners have also dedicated a total of 4,000 working hours until the business is established.

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Company Location and Facilities



TIP

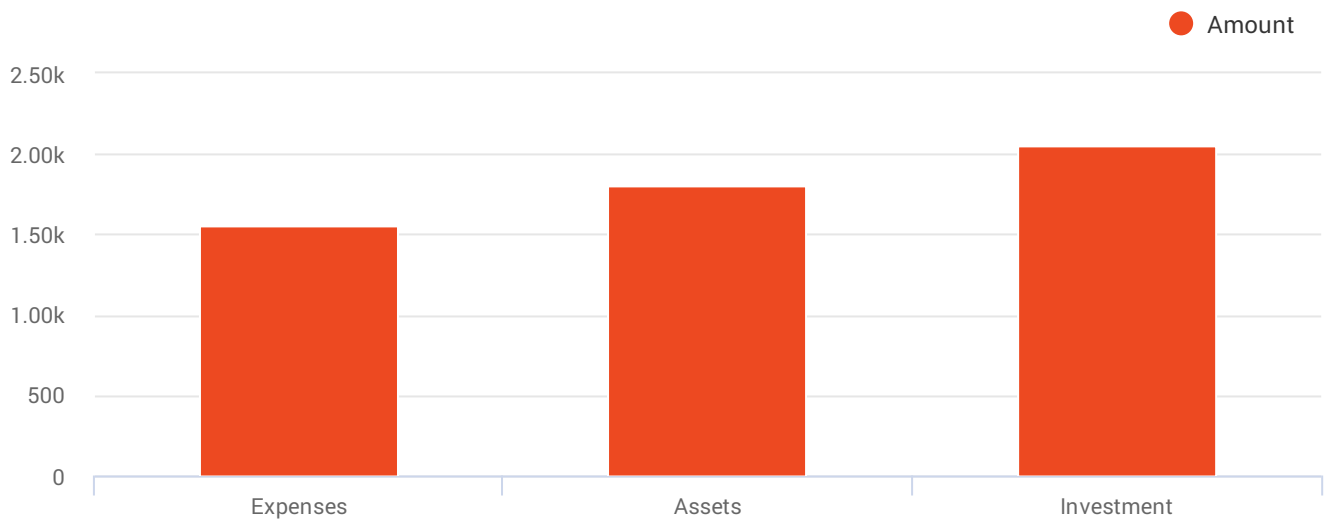
Robid Inc. has leased commercial office space at the Kapolei business center for three years with an option of renewal within sixty days. Space can accommodate fifteen workstations for all our employees.

The Kapolei business center is located within the Kapolei city, a walking distance from the county headquarters.

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Startup cost



Cost distribution

Amount

Expenses

1550

Assets

1800

Investment

2050

Funding Required

The detailed startup requirements and expenses are given in the table below.

Start-up Expenses	Amount
Legal	\$75,500
Consultants	\$0
Insurance	\$62,750
Rent	\$22,500

Start-up Expenses	Amount
Research and Development	\$42,750
Expensed Equipment	\$42,750
Signs	\$1,250
TOTAL START-UP EXPENSES	\$247,500
Start-up Assets	\$0
Cash Required	\$322,500
Start-up Inventory	\$52,625
Other Current Assets	\$222,500
Long-term Assets	\$125,000
TOTAL ASSETS	\$121,875
Total Requirements	\$245,000
START-UP FUNDING	\$0
START-UP FUNDING	\$273,125
Start-up Expenses to Fund	\$121,875
Start-up Assets to Fund	\$195,000
TOTAL FUNDING REQUIRED	\$0
Assets	\$203,125
Non-cash Assets from Start-up	\$118,750
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$118,750
Cash Balance on Starting Date	\$121,875
TOTAL ASSETS	\$0
Liabilities and Capital	\$0
Liabilities	\$0
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$0
Capital	\$0
Planned Investment	\$0
Investor 1	\$312,500
Investor 2	\$0

Start-up Expenses	Amount
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$695,000
Loss at Start-up (Start-up Expenses)	\$313,125
TOTAL CAPITAL	\$221,875
TOTAL CAPITAL AND LIABILITIES	\$221,875
Total Funding	\$265,000

Products and Services



REMEMBER

Before starting a Web Design business, you must take many things into consideration such as you must consider what types of web services will you be providing to your customers. Deciding your services is extremely important since it helps you plan other components of your business so make sure to consider it before you think about how to start a web design business.

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TIP

Robid Inc. will be a provider of internet service solutions for small businesses and institutions within Kapolei. Our focus will be on website services. We will offer the following services:

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Services



Web development and design



Web marketing



Analysis



Web hosting and maintenance

The new services will be additional to our range of existing services which include:

Existing services



Developing e-commerce for businesses



Renovation and upgrading of websites



Maintaining websites



Website training and seminars



Constructing databases

Once we are established, we will also offer services in the following areas within the first three years of operations:



Installing Local Area Network for small businesses



Website marketing



Intranet set-up and installation

Service Description



TIP

Web development and design: Robid Inc. will offer a unique and customized web experience to each client's needs. We will model our designs to the caliber the large organization gets.

Web analysis and marketing: After building or upgrading a client's website, we will offer them these services for free. We have the expertise to test and analyze websites using the set standards. We will test the site's fu

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Sales Literature



TIP

Robid Inc. currently has a sales brochure containing all the pertinent information about the company and its services. We have included our company's strong history, pictorials, and pricing

guidelines. It also has some background of the Internet and the rapid growth the industry has realized over the last few years and how suitable it is for businesses and institutions.

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Fulfillment



TIP

Besides our existing team of experts in web-hosting and maintenance, we will hire professionals in web development and design to ensure proper handling of clients' needs. Our experts will be divided into teams of three to work better on different client requirements and as part of collective learning. We will have a senior developer reporting to the IT Manager and will oversee all the groups' operations.

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Technology



TIP

Technological innovations influence most of our operations. We use the latest software and hardware components in all our office equipment and machinery. We intend to invest in additional tools to help us meet the customers' requirements more efficiently. We will acquire data storage facilities that can handle large volumes and the latest scanning machines.

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Future Services



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Installation of Local Area Network (LAN) services: With the increasing number of small businesses using computers and the Internet as necessary office tools, there is an urgent need to meet their new demands. We will help the businesses from purchasing to configuring the computers and educating their employees on the operations.

Installation of intranet set-up: We will help our clients implement the

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Market Analysis



REMEMBER

The most important component of an effective Web Design company business plan is its accurate marketing analysis. If you are starting on a smaller scale, you can do marketing analysis yourself by taking help from this web design business plan sample or other web design business plans available online.

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TIP

Robid Inc. will focus on small businesses and institutions that are looking to develop or upgrade their web presence. Our approach will be step-by-step; starting with a simple, basic website and improving it to meet their changing needs.

Our service will bring onboard any small business that needs an internet presence, but we will concentrate more on those that need more de

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Target Market Segment Strategy



TIP

We will focus our marketing efforts on attracting institutions and small businesses. We reached this decision after careful market analysis and identifying the needs of this market segment. The high demand for web services by this market is an opportunity that will not necessitate expensive marketing to attract.

Most businesses are migrating to the Internet at a faster rate. Sm

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Market Trends



TIP

The most notable trend in the industry currently is mass migration online. Small businesses are either waiting to migrate or are looking to upgrade their already existing sites to suit the rapidly changing industry.

Major businesses and companies are also taking their daily operations to the internet. Office tasks and general business operations have moved online and we expect more to develop out of this

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Market Growth



TIP

Our target market has expanded and grown at a rapid rate to cope up with the changing technologies. We have put together some evidence to support this exponential growth:

- Small businesses of one to 150 employees were spending around \$50 billion in 2010 to either gain Internet presence or upgrade their efforts. In 2012, the number went up by \$25 billion.

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Service Business Analysis



TIP

Companies in the web development and service industry vary with the size and nature of services. Robid Inc. will provide a unique alternative that the existing providers do not have. The bigger web development firms ignore our target market making it unique. We will start with this market before moving to attract larger businesses with our unique services.

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Main Competitors

Features



Peetle Graphics

It is located 5 miles from Kapolei and provide graphic and web development services. They have a loyal and established customer base. However, the company has only two employees; Mr. John Peetle and his son Peter. They work from home and are unable to meet all the needs of the market.



Create Innovations

They are located 10 miles from Kapolei and offer web development and design services to small businesses in Kawai and neighboring towns. They have a fairly wide customer base due to their large area of operation. They offer services to small businesses but charge highly, which does not go well with most of their clients.



Wackyweb Inc

It is located approximately 30 miles from our offices and offer services in marketing and web development. They have been in existence for over seven years and have a talented team of programmers and developers. Their pricing is, however, too high for the small and medium-sized businesses that they are now trying to attract.

Business Participants



TIP

Three types of firms make up the web services industry:

- Large companies: They generate high revenue and serve top companies. There are a few dominating participants in this category worldwide.
- Then there are firms that offer proprietary, all-in-one pre-fabricated web services to any company at low costs. There are a few domi

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Market Segmentation



TIP

The nature of our services and our location enables us to serve small businesses and institutions no matter their location. We plan to expand to other cities but will in the meantime use our communication technologies to get in touch with customers in other parts of the country. We, however, expect a greater percentage of our market to come from Kapolei.

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Strategy and Implementation



REMEMBER

After identifying the market demand, market trends, and the potential customers of the startup, the next step is to define an effective strategy for attracting those customers. Like marketing analysis, sales strategy is also an important component of a web design business startup and must be properly planned before you think about starting your web design business.

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TIP

At start-up, Robid Inc. will focus all the sales and marketing efforts on the city of Kapolei and its environs.

The company will market itself as web services and internet providers devoted to giving the small businesses a taste of what the top companies get. We will also target the small institutions and other companies that are keeping their services a web presence.

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Competitive Advantage



TIP

The fact that our services target small businesses gives us an edge over our competitors. By setting up strategic alliances with some of the web and Internet-related companies, we will offer our customers efficient and affordable web services that will meet their demands.

Our lead information technologist and co-owner, David Hart has a vast experience in commercial web design and development. His expert

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Marketing Strategy



TIP

We will approach and follow up with all the prospective clients with a clear and thorough marketing strategy. We will give them all the details about the web and the Internet so that they do not get confused and intimidated along the way.

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Marketing Programs



TIP

We intend to join the following organizations as part of our initial marketing programs:

- Hawaii Chamber of Commerce.
- Kapolei Chamber of Commerce.
- The Ranier partnership.

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Pricing Strategy



TIP

Robid Inc. will establish a pricing system to guide our clients on the nature of the services and the corresponding prices. Since we will be dealing with a market segment that tries to reduce costs, we will charge our services on an hourly basis. It will make the clients understand the services that will most likely cost them more.

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Promotion Strategy



TIP

Since our target market is distinguishable, we will use a direct approach to marketing our services. We will use yellow pages directories to place our adverts. Robid Inc. will also put feature adverts in business publications with a wide audience like the Hawaii Business Journal.

We will also send out direct e-mails targeting our potential clients with our company's offerings. Mass media adverts on radio, television, and

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Sales Strategy



TIP

We will sell service, value, and quality to our prospective clients. We will need to convince them that having an online presence is a worthy course for their businesses. We have a database that has proven useful in getting new business contacts and establishing relationships.

Our customer care team will use the list to call the owners, calling the first names, and having an informal conversation. The caller then c

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Strategic Alliances



TIP

We have established four strategic partnerships with two Internet service providing companies and another two with computer consultancy firms. We intend to use alliances to attract more businesses and referrals from our competitors.

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Management Summary



TIP

Robid Inc. is a partnership between two individuals who have equal shares in the company. They will all serve as directors. Richard Walker attended Gareth college and earned his Associates Degree in Management. He has completed various courses in business and management with hands-

on experience in various positions. He has over seven years of experience in sales and another two as a web-related commercial manager. He v

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Organizational Structure



TIP

Robid Inc. will be managed by the co-owners. They will conduct recruitment for important positions like office managers, accountants, marketing, customer care, and human resource.

When the company is well established, we plan to have a board of directors which will consist of professionals drawn from various fields related to the industry. In the meantime, Richard Walker will be in charge of all the

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Management Team Gaps



TIP

The two directors will need management support in the marketing and business development departments. They feel that their prior experience did not need many of these departments. The company will contact accounting and a public relations firm to assist in setting up the two departments.

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Personnel Plan



TIP

We will implement a system that will focus on developing a team and will consist of three web developers and two salespeople. The web development team will have one highly-qualified staff while the other two may be lesser-qualified. The team will work on different projects as provided by the salespeople. The senior developer will report to the IT Director and will ensure the junior developers' work is of high-quality.

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Financial Plan



REMEMBER

The last component of a web design business plan is an in-depth financial plan. The financial plan crafts a detailed map of all the expenses needed for the startup and how these expenses will be met by the earned profits. It is recommended that you use [our financial planning tool](#) for guiding you through all financial aspects needed to be considered for starting a web design business plan.

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Important Assumptions

We have prepared this plan with the assumption that the economy will remain steady with the standard number of players in the industry. We also hope that there will be less interference from the government and the industry regulators.

Break-even Analysis

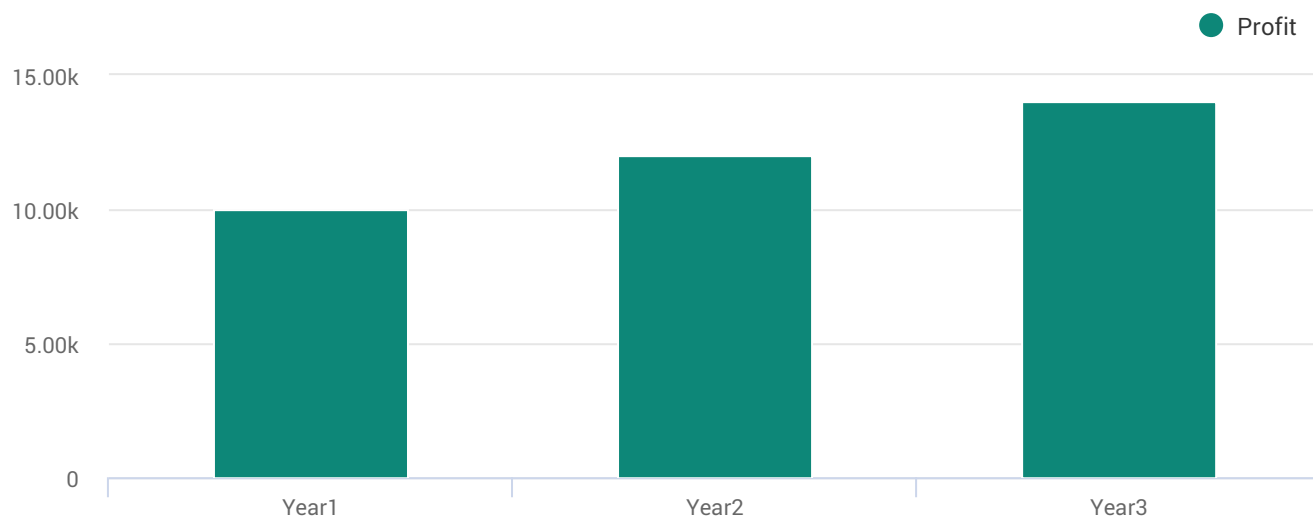
Monthly Units Break-even	5530
Monthly Revenue Break-even	\$159 740
Assumptions:	
Average Per-Unit Revenue	\$260,87
Average Per-Unit Variable Cost	\$0,89
Estimated Monthly Fixed Cost	\$196 410

Projected Profit and Loss

	Year 1	Year 2	Year 3
Sales	\$309 069	\$385 934	\$462 799
Direct Cost of Sales	\$15 100	\$19 153	\$23 206
Other	\$0	\$0	\$0
TOTAL COST OF SALES	\$15 100	\$19 153	\$23 206
Gross Margin	\$293 969	\$366 781	\$439 593
Gross Margin %	94,98%	94,72%	94,46%
Expenses			
Payroll	\$138 036	\$162 898	\$187 760
Sales and Marketing and Other Expenses	\$1 850	\$2 000	\$2 150

	Year 1	Year 2	Year 3
Depreciation	\$2 070	\$2 070	\$2 070
Leased Equipment	\$0	\$0	\$0
Utilities	\$4 000	\$4 250	\$4 500
Insurance	\$1 800	\$1 800	\$1 800
Rent	\$6 500	\$7 000	\$7 500
Payroll Taxes	\$34 510	\$40 726	\$46 942
Other	\$0	\$0	\$0
Total Operating Expenses	\$188 766	\$220 744	\$252 722
Profit Before Interest and Taxes	\$105 205	\$146 040	\$186 875
EBITDA	\$107 275	\$148 110	\$188 945
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$26 838	\$37 315	\$47 792
Net Profit	\$78 367	\$108 725	\$139 083
Net Profit/Sales	30,00%	39,32%	48,64%

Profit Yearly



Financial Year

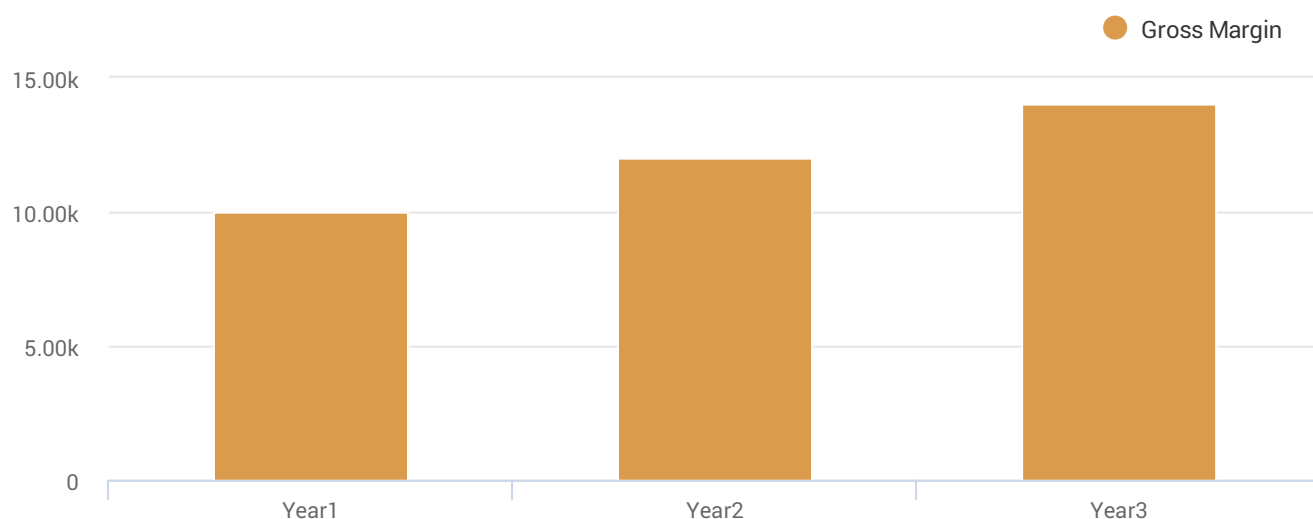
Profit

Year1	10000
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Year2	12000
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Year3	14000
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Gross Margin Yearly



Financial Year	Gross Margin
Year1	10000
Year2	12000
Year3	14000

Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3
Cash from Operations			
Cash Sales	\$40 124	\$45 046	\$50 068
Cash from Receivables	\$7 023	\$8 610	\$9 297
SUBTOTAL CASH FROM OPERATIONS	\$47 143	\$53 651	\$59 359
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
SUBTOTAL CASH RECEIVED	\$47 143	\$53 651	\$55 359

Cash Received	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$21 647	\$24 204	\$26 951
Bill Payments	\$13 539	\$15 385	\$170 631
SUBTOTAL SPENT ON OPERATIONS	\$35 296	\$39 549	\$43 582
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
SUBTOTAL CASH SPENT	\$35 296	\$35 489	\$43 882
Net Cash Flow	\$11 551	\$13 167	\$15 683
Cash Balance	\$21 823	\$22 381	\$28 239

Projected Balance Sheet

Assets	Year 1	Year 2	Year 3
Current Assets			
Cash	\$184 666	\$218 525	\$252 384
Accounts Receivable	\$12 613	\$14 493	\$16 373
Inventory	\$2 980	\$3 450	\$3 920
Other Current Assets	\$1 000	\$1 000	\$1 000
TOTAL CURRENT ASSETS	\$201 259	\$237 468	\$273 677
Long-term Assets			
Long-term Assets	\$10 000	\$10 000	\$10 000
Accumulated Depreciation	\$12 420	\$14 490	\$16 560
TOTAL LONG-TERM ASSETS	\$980	\$610	\$240
TOTAL ASSETS	\$198 839	\$232 978	\$267 117
Current Liabilities			
Accounts Payable	\$9 482	\$10 792	\$12 102
Current Borrowing	\$0	\$0	\$0

Assets	Year 1	Year 2	Year 3
Other Current Liabilities	\$0	\$0	\$0
SUBTOTAL CURRENT LIABILITIES	\$9 482	\$10 792	\$12 102
Long-term Liabilities	\$0	\$0	\$0
TOTAL LIABILITIES	\$9 482	\$10 792	\$12 102
Paid-in Capital	\$30 000	\$30 000	\$30 000
Retained Earnings	\$48 651	\$72 636	\$96 621
Earnings	\$100 709	\$119 555	\$138 401
TOTAL CAPITAL	\$189 360	\$222 190	\$255 020
TOTAL LIABILITIES AND CAPITAL	\$198 839	\$232 978	\$267 117
Net Worth	\$182 060	\$226 240	\$270 420

Business Ratios

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	4,35%	30,82%	63,29%	4,00%
Percent of Total Assets				
Accounts Receivable	5,61%	4,71%	3,81%	9,70%
Inventory	1,85%	1,82%	1,79%	9,80%
Other Current Assets	1,75%	2,02%	2,29%	27,40%
Total Current Assets	138,53%	150,99%	163,45%	54,60%
Long-term Assets	-9,47%	-21,01%	-32,55%	58,40%
TOTAL ASSETS	100,00%	100,00%	100,00%	100,00%
Current Liabilities	4,68%	3,04%	2,76%	27,30%
Long-term Liabilities	0,00%	0,00%	0,00%	25,80%
Total Liabilities	4,68%	3,04%	2,76%	54,10%
NET WORTH	99,32%	101,04%	102,76%	44,90%
Percent of Sales				
Sales	100,00%	100,00%	100,00%	100,00%
Gross Margin	94,18%	93,85%	93,52%	0,00%
Selling, General & Administrative Expenses	74,29%	71,83%	69,37%	65,20%
Advertising Expenses	2,06%	1,11%	0,28%	1,40%
Profit Before Interest and Taxes	26,47%	29,30%	32,13%	2,86%
Main Ratios				

	Year 1	Year 2	Year 3	Industry Profile
Current	25,86	29,39	32,92	1,63
Quick	25,4	28,88	32,36	0,84
Total Debt to Total Assets	2,68%	1,04%	0,76%	67,10%
Pre-tax Return on Net Worth	66,83%	71,26%	75,69%	4,40%
Pre-tax Return on Assets	64,88%	69,75%	74,62%	9,00%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	19,20%	21,16%	23,12%	N.A.
Return on Equity	47,79%	50,53%	53,27%	N.A.
Activity Ratios				
Accounts Receivable Turnover	4,56	4,56	4,56	N.A.
Collection Days	92	99	106	N.A.
Inventory Turnover	19,7	22,55	25,4	N.A.
Accounts Payable Turnover	14,17	14,67	15,17	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	1,84	1,55	1,26	N.A.
Debt Ratios				
Debt to Net Worth	0	-0,02	-0,04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
Liquidity Ratios				
Net Working Capital	\$120 943	\$140 664	\$160 385	N.A.
Interest Coverage	0	0	0	N.A.
Additional Ratios				
Assets to Sales	0,45	0,48	0,51	N.A.
Current Debt/Total Assets	4%	3%	2%	N.A.
Acid Test	23,66	27,01	30,36	N.A.
Sales/Net Worth	1,68	1,29	0,9	N.A.
Dividend Payout	0	0	0	N.A.