

SUPER MOBILE TECH LTD.

BUSINESS PLAN 2007 - 2009

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Prepared by: Board of Directors
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1.0 Executive Summary

Super Mobile Tech Ltd. (SMT) is a UK start-up company with an exciting new product. We have spent the past 14 months developing and testing a range of innovative new mobile phone recharging lockers.

These lockers or 'PowerBoxes' will be used in public places, e.g. airports, shopping malls, gyms, pubs, clubs, colleges, bookshops etc. They provide a useful service for any mobile phone user with a low or flat battery.

The PowerBox also benefits the venues where they are installed by improving their customer service proposition, increasing customer numbers, retaining customers whilst their phones recharge. Venues also profit by charging customers for the service.

The PowerBox is also a powerful new advertising medium. The front fascia incorporates a full-face backlit display. An interactive digital screen can provide moving images to enhance this space. This advertising is attractive because it combines a useful service to the youth market with a powerful image.

SMT will make money from the PowerBox in two ways: The first is by sharing the coins people insert for the recharging service, this revenue is typically shared 50:50 with the venues. The second is income from advertising sales.

Investment Opportunity

SMT is looking to attract a total investment of £140,000 in exchange for 15% of the company share holding. The expected value of this share holding after three years is £1,402,000. Existing (dilutable) share-holdings have invested £100,000 to take the company to launch in February 2007.

Product

The PowerBox satisfies a need for a recharging service for people when they are out and about. An increasing number of people (especially those aged 16-25) depend heavily on their mobile phones to communicate with their social group and work colleagues and frequently find themselves low on power (YouGov Survey June, 2006).

The PowerBox also has significant potential for development of new revenue streams such as pre-pay cards, mobile content and Bluetooth advertising. We have also developed a wireless call-detect system by which customers will be alerted if their phone receives a call in their absence.

Business Model

Advertising sales will return an average fee of £160 per month per PowerBox (DTI funded independent Market Research). The coin revenue-share with venues is expected to return a fee of £120 per month per PowerBox. The PowerBox is leased free of charge to venues who enter a 50:50 revenue share agreement with SMT. Hence the average PowerBox will bring in £3360 per year. The production unit cost is £1000.

Progress

SMT has recruited a strong management team and gained the support of the DTI on the UK. The company has developed two designs and three working prototypes and is currently manufacturing the first ten PowerBoxes for student unions and shopping centres around the country. We currently have one patent granted and a further two patents under examination with the UK Patent Office.

The company has developed a powerful marketing effort with a strong brand, a website, brochures and two people working (part-time) on sales. We have received several expressions of interests¹ from venues and advertisers as well as from a Norwegian company interested in buying the rights for Scandinavia.

How the investment will be used

Detailed financial forecasts have been produced for the first 3 years; these are available on request. The investment is primarily required to fund a full time sales staff and the production of the units.

Headline Projections

Year	2007	2008	2009
No. of BBs (cumulative)	1	391	751
Revenue £000s	4.6	688.7	1,800
Expenses £000s	48.1	623.4	865.4
Pre-tax Profit £000s	79.5)	56.3	925.7

2.0 Background

2.1 Introduction to the Business

Issues of mobile battery power are increasing important to users away from the home or office as new products are incorporated into phones. Whilst solutions exist for recharging phones, many people, especially the young, find themselves caught in the city with low, or no, power. A recent poll by YouGov found that 60% of 18 – 29 year olds said their phones had run out of battery power in the last month¹.

The PowerBox is a public mobile-phone recharging locker designed to be installed in venues for public use (pubs, clubs, hotels, gyms, cinemas, airports, railways etc.). It has an illuminated front designed for high-impact advertising. The PowerBox allows users to leave their phone charging in a secure environment. It recharges 95% of mobile phones within 20 minutes and alerts the user (via a wireless key-fob) if they receive a call or message whilst their phone recharges.

“The battery has been the troubled child of the mobile phone industry”

- Dr. Malik Saadi, Informa Telecoms and Media

The vision of Super Mobile Tech is to develop a single point of contact for all mobile needs. This includes uploading and downloading photos and video, topping-up pre-pay cards, provision of multimedia such as music and video, and wireless ‘push’ advertising for location-enabled media.

The PowerBox was conceived in October 2003 and developed by Dr. Joe O’Mahoney and Dr. Jiminy Cricket. The UK patent was granted in December 2006 and the PCT submitted in January 2005. SMT was created in April 2005 after securing a private investment of £70,000.

SMT has developed two initial products for two markets:

1. **BB1** is a free service that will be used by exclusive up-market venues and publicity events (e.g. festivals, product launches). Mobile phone users will provide a deposit which will be refunded when they pick up their phone.
2. **BB2** is a paid for service which will be used by mass-market venues (e.g. airports, conference centres, shopping malls, restaurants, pubs and clubs). Users pay a £1 charge which is split 50/50 with venues in a revenue-share agreement.

The manufacture will be outsourced to a UK company, LMD. Advertising will be sold directly to media buyers by Super Mobile Tech and through Media Sales agents. Venues will be captured through direct sales to chains and high profile establishments.

SMT has a strong management team, consisting of Dr. Jiminy Cricket, a mechanical engineer with ten years experience, Dr. Joe O’Mahoney, a lecturer in business with

¹ YouGov Survey sponsored by BoxBrands 06/06/06.

five years consulting experience and King Reginald, who has over 20 years board-level experience in banking, investment management and business management.

2.2 Investment Opportunity

The PowerBox is a new product with massive market potential. We can lease the product free-of-charge and still maintain strong profit margins because the product acts as a powerful advertising tool with minimal expenses. Sales will be in bulk, to chains, and advertising will be targeted at cash-rich mobile stakeholders such as phone manufacturers, operators and service providers.

The PowerBox is intended for a UK roll-out, though licensing agreements will be sought once the UK business is established. We already have an expression of interest from Pincom, a Norwegian telecommunication company, for the Scandinavian rights to the product. SMT has strong financial, business and engineering skills and an open and ambitious culture. We believe that for an early investor, the company offers an excellent opportunity to make significant returns.

SMT's strategy will be to rapidly grow earnings from its cash-rich business model and to sell the business in 2009. SMT's prospective valuations are:

Table 2 Earnings and Valuation Forecast

Year	2007	2008	2009
Earnings £K	(79.5)	56.2	925.7
PER	10	10	10
Valuation £K	NA	562	9,257

SMT seeks outside investment of £140,000 to finance its business development.

2.3 Corporate Vision

SMT intends to produce a public single-point-of-contact for supporting mobile phones. We will establish a network of PowerBoxes and develop the product to produce revenue-driven opportunities in mobile content, commerce and advertising.

2.4 Mission Statement

SMT is an honest, ambitious and innovative company dedicated to maximising profits for our shareholders.

3.0 The Super Mobile Tech Company

3.1 Executive Directors

Dr. Jiminy Cricket (CPM) is the Managing Director of SMT Ltd. Prior to this he was a Senior Analytical Engineer with Mojo Ltd, a world-class thermostatic control manufacturer based on the UK. He is a Chartered Mechanical Engineer and has ten years' experience specialising in New Product Design and Development. Jiminy gave up his job to work for SMT full-time in September 2005.

Dr. Joe O'Mahoney (JO) is the Sales and Marketing Director of SMT. He is currently a Lecturer in Organisation Studies at Cardiff University. He was previously a Senior Change Management Consultant with Xansa and a Senior Business Analyst at Hutchison Telecoms ('3').

King Reginald (KR) is the (part-time) Finance Director of SMT. He is the founding owner and MD of a licensed investment business, owner and MD of a family office support business and is joint owner and MD of a licensed fiduciary services business.

3.2 Non-Executive Directors

Lord Lucan is the Company Secretary and brings some 30 years management experience to the team.

Sir Conan Doyle is an IT lecturer at the UK College.

3.3 Extended Team

SMT has called upon an extended team of consultants, agents and designers in developing the company. The details of these people can be found in Appendix 7.

3.4 Legal Structure

SMT Ltd. is a UK limited company.

- The company registration number is 123456

3.5 Share holdings

The company has the following dilutable share holdings:

Table 3 Share holdings

Shareholder	% Share in SMT
Joe O'Mahoney	25.20
Jiminy Cricket	25.20
Conan Doyle	22.38
Lord Lucan	8.95
King Reginald	6.00
Nimby Pimby	6.00
Prima Donna	6.27

3.6 DTI Grants and Support

SMT has a strong and ongoing relationship with the DTI on the UK. There are the three tiers of grant assistance available from the DTI. SMT has been approved and benefited from the first two tiers, these are:

- Small Business Start-up Scheme (Approved up to £6K)
- Business Support Scheme (Approved up to £9K)

So far SMT have claimed £9K of the above grants. The DTI have also provided a dedicated Business Advisor for 18 months.

SMT have also held positive discussions with the DTI regarding their third-tier financial assistance grant scheme. This scheme can provide 40% of capital purchases, 40% of Marketing costs and rent assistance. There is no upper limit on this grant and awards are entirely discretionary.

4.0 The Service

4.1 The Product

Product Details

The PowerBox is a locker for recharging mobile phones. It can be wall-mounted or free-standing. Inside each compartment is one or more recharging points. A wireless call-detect system has been developed, but will not be installed on the launch product in order to hit the market as soon as possible.

The PowerBox is also a powerful advertising display - it is designed for maximum advertising potential and is illuminated with ultra-bright LEDs. It has an (optional) display screen for moving advertising and instructions. The screen has various options including a sensor to detect when people approach (thus triggering a change in the display) and an interactive touch screen sensor (for later versions).

The PowerBox has a strong relationship with the customer. Customers not only approach and interact with the PowerBox but they also trust it with their mobile phones. The key-fob that they take away is of great symbolic value to the customer as, for a while, it replaces their mobile phone. This provides advertisers a powerful bond with potential consumers.

The PowerBox can be tailored to each customer's requirements. The advertising and the phone rechargers can be replaced quickly and easily. If the venue or advertiser wishes, SMT can adapt the rechargers to fit any MP3 players, cameras or PDAs.

Usage Scenario

The mobile phone is placed inside the compartment by a customer and attached to a recharging point. The customer inserts a £1 deposit (this can also be a payment), locks the compartment and removes the key.

If the phone receives a message or call whilst inside the compartment, the wireless call detect sends a message to the customer's key fob causing it to buzz and vibrate. The phone typically receives a 75% battery charge after 20 minutes of recharging. When the customer returns they insert their key, remove their mobile and take their deposit back (with BB2, the coin is retained).

4.2 Future Product Development

The development of the PowerBox will involve a series of improvements and innovations that will occur at six-month intervals based upon market opportunities. Each innovation will aim to maximise revenue from different groups:

BB3

BB3 will be designed to look like a mobile phone with each number on the mobile's key-pad being a compartment and the screen being an advertising display. It will be

offered to mobile manufacturers as a high-profile way of launching new mobile phones. We aim to offer this service to mobile manufacturers at Launch + 12 months.

BB3 will generate revenue by being sold as units to the phone manufacturer. It is expected that the product will be used in new product launches, conferences and high-profile marketing events. A similar product (without the recharging capability) can be viewed in the Competitor Analysis.

BB4

BB4 takes the PowerBox some way to becoming a universal point-of-contact for mobile phones by connecting the product to the internet (either by fixed line or wireless modem). It includes a number of features that will generate revenue from customers who will use a touch-screen to order their service. The great thing about these features is that they are already available for purchase as 'off-the-shelf' products that could easily be integrated into the PowerBox. The features include:

- Topping-up of pre-pay cards. This would take place via a credit card swipe and a phone card swipe system.
- Downloading music, ringtones and video content via a credit card swipe system. This would be cheaper than the operator's own products because it does not incur the overhead of using a 2G or 3G network.
- Phone number back-up via an integrated SIM card reader (telephone numbers could be emailed to customers or stored on the SMT web-site).
- Other phone services e.g. insurance sales / document management / phone sales. This will allow customers to transfer data from the PowerBox and retrieve it at the SMT web-site.

The extra benefit of connecting the service to the internet is that software updates can take place remotely. We aim to offer these services at Launch +18 months.

BB5

BB5 is a powerful localised advertising machine and will be fitted with a Bluetooth transmitter and a wireless modem. This allows the PowerBox to send out content-rich adverts (e.g. audio and video) to users in specific locations (e.g. pubs in Manchester).

This would allow SMT to offer advertisers the ability to target local groups (e.g. in a cinema) at any time they wish. The modem would allow the content to be sent remotely.

Other Developments

There are a number of other applications that the PowerBox will be suited to, including providing wi-fi networks and connecting with other wireless products (e.g. security cameras). We will examine the feasibility of these when the initial products have been launched. A network of PowerBoxes covering, for example, a city centre, would have the capability to provide cheap calls through a mixture of voice over IP, wireless connectivity and an internet connection.

Intellectual Property

The IP of SMT is essential in protecting our business. For this reason we are committed to registering IP protection wherever possible. The UK patent application was granted in December 2006. We applied for a global PCT in February 2005. Following an initial written opinion from the European Patent Office it is now moving into the national phase

A number of other patentable ideas have been identified during the product development phase and have recently been submitted. Two recent patent applications focus on the use of the PowerBox as an information back-up system (sim-cards/phone data) and utilising increased keyfob functionality to exploit the wireless link with the PowerBox for information and advertising services within local venues.

These will be progressed as the Company moves forward to enhance its portfolio of intellectual property. We are also in the process of registering the designs that our industrial design consultants (Kinneir Dufort) and our manufacturers (LMD) have created for us.

SMT is also in the process of registering its own latest designs with the Patent Office. The office allows a 'grace period' of one year in the market for testing the product design before needing to apply for a design right. SMT will take advantage of this opportunity.

5.0 Competitor Analysis

Following an extensive search, seven owners of similar products have been found that may pose a threat to the PowerBox.

5.1 Chaliyuan

Chaliyuan is a growing company in Taiwan that makes a series of mobile phone rechargers to a high specification. Their products are primarily designed for the Asian market though they are attempting to make inroads into America and Europe. Their products are the most feature rich of all the competitors incorporating sound and video advertising, phone disinfecting and air purification. Payment can be made through coins, credit cards or SMS. The product has been installed in shopping centres and airports, primarily in China, although one export to Spain has been made.

There are two weaknesses of this product with regard to competing with the PowerBox. Firstly, the product requires the customer to stand with their phone as there are no lockable compartments: our research has shown that many customers do not want to do this. Secondly, aesthetically, the product is primarily designed for the Asian market.

5.2 The PowerPod

The PowerPod is made by HPL, a US based design company. HPL currently provide some Orange shops in the US and the UK with their 'PowerPod' product. It has an interactive touch-screen with instructions for customers and holds 4 - 8 mobile phones. The product has a touch-screen advertising / instruction facility and is aesthetically well designed.

However, the PowerPod costs £14 – 15,000 and currently does not have the ability to charge customers for its use. It also does not have a wireless alert facility. HPL is primarily a design house and is primarily focused on the US market.

5.3 The Sony W800

In conjunction with JC Decaux, an advertising company, Sony produced 3D moulds of the Sony W800 Walkman phone that the public could interact with via a touch-screen menu, allowing them to hear music and ringtones.

Whilst the mould had no recharging capabilities it does demonstrate the power of advertising a larger-than-life phone with an interactive screen and is similar to the BB3 product.

5.4 The Express Recharge

The Express Recharge is manufactured by a Korean company called Protopia and is a rapid mobile phone charging vending machine which takes 20 minutes to charge most mobile phones. The company has 25,000 of these rechargers in Asia and is beginning to move into Europe and Australasia through licensing agreements. Heathrow Airport has an Express Recharge.

We believe that the UK licence holder for this product, PowerPod Holding PLC, received £115,000 recently from an investment fund for 18% of the company. The Express Recharge is currently installed at Heathrow airport. It comprises four compartments and costs £1 to recharge a phone. The product does not have an advertising space, nor does it have a wireless alert facility.

5.5 The ChargeBox

The Chargebox is distributed by BoxBrands who are the closest competitor to the PowerBox, both functionally and geographically. Based in the UK and launched in June 2006 BoxBrands recently received investment of an unknown amount. The Chargebox comprises 6 compartments which, for a £1 fee, provides a 40 min charge. The charge can be paid by coinage or SMS. The company has plans to roll out 100 Chargeboxes each month.

Whilst this product does provide competition for Super Mobile Tech, they have not yet incorporated advertising into their design, effectively halving their potential income. Also they typically only offer the venue 20% of coin revenue. SMT offer the venues 50% of the coin revenue. SMT can also profitably lease units with no coin revenue. Hence the commercial proposition of the PowerBox is significantly more attractive to venues than a Chargebox.

5.6 The PhoneCharger

The PhoneCharger is manufactured in Japan and offers a mobile charge for around 50 pence (100yen). It is available in some shopping centres in Japan.

The product has a display screen and secure compartments with heavy duty leads for connecting to mobile phones. Customers are asked to choose a pin number which will secure the release of their phone. In comparison with the PowerBox, the PhoneCharge has little advertising potential.

5.7 Anonymous

This is a photo of a Chinese mobile phone recharger found in a train station. SMT cannot identify the manufacturer of this charger but it is basically an LCD display with a coin-charge mechanism. A payment routes power to one of several leads that charge the mobile. This product is spreading rapidly in China and Hong Kong.

The weaknesses of this product are two-fold. Firstly, there are no compartments, so the customer needs to stand with their phone. Secondly, there are loose leads which can easily be vandalised and ripped off.

5.8 Summary

These products illustrate the need for a public mobile phone recharging point: in Asia, where mobile products are typically 5 – 10 years ahead of the EU, these products are very common. We believe that the only significant competitor to Super Mobile Tech is BoxBrands who have just launched in the UK. However, as their product does not carry advertising it cannot afford to reach customers where there may be low usage of the product. In this respect, the PowerBox provides an additional revenue stream and thus a strategic advantage in entering additional markets.

Compared to the PowerBox, many of the products are visually unattractive and complicated to use. None of them have a wireless alert service. Thus far, similar products have targeted train stations, conference centres, shopping malls and airports. Few have seen the opportunity of partnering with the leisure industry (pubs, clubs, gyms, hotels et cetera). The PowerBox, on the other hand, maximises advertising revenue whilst providing a secure environment so that customers can leave their phone and get on with their lives.

6.0 Market Analysis

6.1 Mobile Power Issues

“Keeping a lid on power is a constant battle against the functionality that everyone wants”

- Ken Dulany, Gartner Group

The mobile is increasingly incorporating a number of other consumer products such as cameras, games, video recorders, MP3 players and GPRS. Increasingly new technologies such as 3G are also enabling video-streaming, mobile-TV and improvements in the quality of existing products.

The increasing convergence of these consumer technologies into one appliance has two critical consequences. The first is that people are more reliant upon their phones, not just because of traditional communication (i.e. voice and text) but increasingly as a form of entertainment. Research has shown that individuals develop strong personal and emotional bonds² with their phones often reacting with symptoms of bereavement when phones are lost, stolen or when the battery is dead.

The second consequence is the increased demands on the batteries of mobile phones.

“Top of the list for the most desirable feature...is a battery that lasts much longer”

² Vincent, J., (2003) Emotion and Mobile Phones in Nyiri K., (ed) Communications in the 21st Century Mobile Democracy Essays on Society, Self and Politics pub Passagen Verlag http://21st-century.phil-inst.hu/Passagen_engl3.htm <http://www.bbc.co.uk/21/09/05>

Whilst improvements in battery technology are reaching a point of diminishing returns, power requirements are growing exponentially.

In a recent report³ Jupiter Research identified battery power both as a key concern for consumers and a major barrier in enabling the success of multimedia applications.

A report by TNS Technology⁴ found that 66% of users in 15 countries listed “a longer battery life” as their number one priority for new phones. Limited battery life was, they argued, the biggest reason why people did not use their phones more often. Providing the customer with power, therefore, not only keeps them in touch, but would also enable them to use their phone more often – a key selling point to mobile operators.

It is generally accepted that lithium batteries are reaching the point of diminishing returns. In the words of Dr Vishal Nayar (Qintiq Research) “the issue is that, as far as batteries go, there has not been major development...even on the horizon, a doubling in performance would be a big, big step”. Technologies such as fuel-cells that are expected to replace traditional batteries are expected to be at least ten years away from common use, whilst power demands on mobile devices are increasing every year.

³ Fogg, I. (2004) Portable Media Players in Europe: creating the ideal audio and video devices. Vision Report, Jupiter Research, October.

⁴ TNS Technology (2005) Global Technology Insight

6.2 End Users

As the mobile phone is now ubiquitous, there is no ‘typical’ user group. The end users of the PowerBox will be people who wish to top their phone battery up whilst they are doing something else. This will include:

Entertainment

- People at pubs, clubs and cafés
- Festival goers at a music festival
- Shoppers at a mall / arcade
- Cinema goers who won’t need their phone for 3 hours
- Gym users who are exercising whilst their phones are recharging
- Public venues such as museums, galleries and theatres

Travel

- Executives in an airport lounge waiting for their plane.
- Consultants staying at hotels
- Tourists who have left their rechargers at home
- Commuters who need to recharge their phones whilst on the move

Businesses

- Companies that wish to provide this as a service to their staff / visitors
- Schools that have restrictions on people carrying camera or video phones
- Defence and security businesses that restrict camera or video phones
- Public organisations e.g. Hospitals, police stations, government offices

People will use the PowerBox because they do not want to be out of contact. Many users, especially young people, do not recharge their phone every day and want the convenience of local recharging facilities. Even if a phone is not dead, users report experiencing a ‘power anxiety’ if their phone is low on battery power.

Super Mobile Tech Survey

In our survey of potential customers (see Appendix 9) – these highlights regarding usage are worth emphasising:

- 25% of customers’ mobile phones had one bar of power left (0 – 33% of power).
- 90% of all customers said they would use the service if it was free.
- 60% of all customers said they would sometimes use the service if there was a charge of £0.50.
- 50% of all customers said they would use the service if there was a charge of £1.
- 10% of all customers said they would use the service if there was a charge of £2

*YouGov Survey*⁵

In a YouGov Survey sponsored by BoxBrands the following findings were recorded:

- 60% of people aged 18 – 29 reported their phone battery had died some time in the last month.
- 47% of people aged 30 – 50 reported their phone battery had died some time in the last month.
- 48% of people aged 18 – 29 reported that, in the last month, they did not use their phone's features (e.g. MP3 player) for fear of the battery dying.
- 76% of women felt vulnerable after 10pm if their phone had no battery power.

As battery demands increase (for example, with the launch of mobile-TV) it is likely that demand for a recharging service will be popular in urban areas where customers are more likely to use hi-value 3G products that are heavy on power requirements.

6.3 Venues

Leasees of the PowerBox will be venues that wish to provide an additional service to their users, encourage additional visitors or encourage visitors to stay longer. We believe that many will choose to charge for the PowerBox service. The key attributes of target venues are that they must contain people:

- Who want to be contactable and able to make contact.
- With a mobile phone that is running low on battery.
- Who are away from their home or office
- Who have the time to recharge.

Again, these venues can be split into different sectors (see Appendix 8):

Table 5 Potential Venues Segmentation

Entertainment	Travel	Business
Pubs and Clubs Cafés and Restaurants Festivals Cinemas and Theatres Executive Boxes Department Stores and Shopping Malls Gyms, Leisure Centres and Health Spas Museums, Galleries & Theatres	Airports (including executive lounges) Hotels (including complexes e.g. Centre Parks) Service Stations Tourist Attractions and theme parks Train, bus and tube stations	Private Businesses Universities and Schools Government, Defence and Security Services

⁵ Poll size n=2239, conducted by YouGov from 5th -7th June 2006

Market Sizing

The potential market for the PowerBox is very large. In the UK alone (Table 6) there are over 100,000 businesses that could offer the PowerBox to their customers. In the table below the market sizing of each sector has been given an 'interest' rating out of 5 (1 – low; 5 - high) which provides a weighted 'potential sales' for each sector.

It is then assumed that Super Mobile Tech will sell to 4% of the potential market over a 3 year period which gives 'Likely Sales' between 2006 – 2009. This provides a conservative estimate of 760 sales over this period.

Table 6 Market Sizing

Target	Est. Number	Est. Interest	Potential Sales	Likely Sales
Motorway Service Stations	60	2	24	1
Cinemas	450	2	180	7
Cafés / Restaurant Chains	2,000	2	800	32
Executive Boxes[∞]	5,000	1	1000	40
Chains of Pubs	40,000	1	8000	320
Hotels	10,250	2	4100	164
Supermarkets	7000	1	1400	56
Shopping Centres	400	2	160	6
Theatres	1000	1	200	8
Leisure Centres / Gyms	2000	3	1200	48
Stations	1150	2	460	18
Airports	57	3	34.2	2
Executive Lounges*	114	3	68.4	2
TOTAL	69,481		17,627	60

Market Description

The market for the PowerBox is very large. Anywhere a business wishes to offer its customers a better service or to encourage customers to stay / visit is a potential venue for a PowerBox. However, to maximize the profit / effort ratio SMT will focus on chains in each sector (e.g. the Hilton Group, Costa Coffee, David Lloyd) and will initially confine itself to major cities with a large 'footloose' population.

[∞] This is an estimate based upon 20 boxes at 250 high profile stadiums and arenas in the UK

* Figures for executive lounges are not available. This is based on an assumption of 2 lounges per airport

Niche upmarket venues are expected to want to offer the PowerBox as a free service to their customers. These venues include Mandarin Oriental Hotels, Ramsay Holdings, Virgin Executive Lounges, The Sanctuary and China Whites. It is expected that the advertising facia for these venues will either be proprietary (i.e. the venue's own) or exclusive brands such as Cartier and Rolex. Many of these venues already offer many free services to their customers (e.g. parking, valet, magazines, baby food, information, internet access).

We believe that the Mass market venues will wish to raise revenue by charging customers for using the PowerBox. These include chains such as Wetherspoons, Fitness First and the Travel Lodge as well as shopping centres, airports and train stations.

Additionally, some companies may want to put their own advertising on the PowerBox because they own both venues and high profile brands. Two examples include:

- **Virgin:** The Virgin brand has become one of the strongest in the UK on the back of a heavy investment in branding. From an advertising perspective Virgin and Virgin Mobile possess significant marketing budgets. From a venue perspective Virgin own trains, airport lounges, planes, Megastores, gyms and luxury resorts. Virgin already provides phone recharging facilities in their V Tent at the V Festival – however, these are currently holes drilled through a wooden desk.
- **Whitbread:** Whitbread is one of the world's largest hospitality companies. It invests heavily in advertising and has holdings in PepsiCo and Britannia Soft Drinks. It also owns key venues that SMT will target. These include: David Lloyd Gyms, Premier Travel Inn, Pizza Hut, TGI Friday, Beefeater and Brewers Fayre Pubs, Costa Coffee and TouchBase business centres.

Venue Responses

In our survey of potential buyers, the venue managers gave the following responses:

- 67% of businesses said that they believed the PowerBox would enhance their customer services
- 62% of businesses would use the product to generate additional revenue.
- The majority (75%) of businesses we contacted suggested that they would prefer to charge their customers to use the service.
- The sectors that were most favourable were chains of pubs, gyms and airports. Those least favourable were railway stations and motorway service stations.
- Key desires for businesses were that it was easy to use, secure and properly maintained.

The details of this survey can be found in Appendix 9. It should be noted that the majority of respondents were venue managers and not central decision makers. However, the results show a general positive response to the PowerBox product.

6.4 Advertisers

Advertising Overview

The PowerBox is classified as ‘ambient media’ which is one of the fastest growing forms of advertising in Europe, experiencing around 8% growth 2004 - 5. In the UK, ambient media⁶, which includes petrol pump nozzles, taxi livery, supermarket trolleys, washroom posters and mirror stickers is worth over £100 million a year⁷.

The use of ambient media is characterized by innovative, high-profile product launches and the raising of brand profiles. The distinctive iPod poster campaign is a good example. The outdoor advertising market is dominated by Entertainment / Media (20%) and Telecoms (10%) followed by motors, food and drink, finance, cosmetics, retail and travel.

The buyers of ambient media are constantly on the look-out for new and interesting forms of advertising to raise the profile of brands and new campaigns. They are especially interested in place-based adverts to target different audiences.

Table 7 Marketing Spend

Telecoms Advertising

The largest sector of advertisers (after the entertainment industry) is the Telecoms market. In the outdoor sector this is worth around £80 million a year. SMT are specifically going to target this sector because of the match with the PowerBox service.

The telecoms sector comprises a large number of companies which spend almost £300 million a year on advertising. Telecoms advertising can be broken down into:

- **Operators** (O2, Virgin, 3, Vodafone, Orange, T-Mobile)
- **Handset manufacturers** (Sony Ericsson, Motorola, Siemens, Samsung, LG, NEC)
- **Service Providers** (118 118, PartyMob, RingToneKing etc....)
- **Retail Outlets** (Carphone Warehouse, Phones4U)

The table shown illustrates the biggest spending mobile stakeholders. The mobile operators are by far the biggest spenders in the market, with over £200 million spent between them. Handset manufacturers do not disclose their advertising spend but it is in the region of £120 million / year in the UK alone. Service providers are constantly promoting new products such as ringtones, chat-lines and directory enquiries.

Company	Total £'000 (2005)
Orange	57,245
3	41,904
Vodafone	35,719
O2	33,945
T-Mobile	25,432
Virgin Mobile	11,412
82228	9,571
Partymob	8,980
Jamster	5,882
Txt UK	5,635
Ringtoneking	4,628
BT	4,420
Other	27,888
Total	273,735

⁶ Ambient Media is classed as part of the outdoor advertising market, worth almost £1 billion in 2005

⁷ Concord / Neilson Media Report s (2004)

The PowerBox and Advertising

The PowerBox provides advertisers with a new, interactive and hi-tech form of advertising that provides a service to customers. The customer actually uses the PowerBox and takes the (branded) key-fob away with them. Unusually for an advertising medium, the number of uses of the PowerBox can also be recorded which can be communicated to the advertisers giving actual number of people who interact with their media⁸.

Fortunately for SMT, the mobile market is one of the highest spenders on advertising and one that is consistently launching new products in high-profile campaigns. Advertising will be a key revenue generator for SMT. Advertisers for the product will, we believe, come primarily from the mobile phone community.

Initially, for BB1, high-quality venues with the desirable demographic will be targeted to maximise the attractiveness of the advertising package. Advertising for these venues will have less footfall than the mass-market version but will target niche and high-spend customers in executive boxes, executive lounges and up-market hotels and gyms.

SMT intends to target specific sectors to satisfy the advertisers' demands for segmented campaigns. Whilst the primary focus will be mobile advertisers other sectors can be targeted dependent on venues, for example advertising:

- Drinks in pubs and clubs
- Airlines in airports and train stations
- Cosmetics in gyms and health centres
- Luxury goods in executive boxes and niche venues

Bespoke advertising can be produced quickly and efficiently by our manufacturers and the entire front fascia of the PowerBox will be replaced every 6 months to ensure a high quality image.

6.5 Expressions of Interest

In our first month of operations we have received the following expressions of interest:

- Venues: We are trialling two PowerBoxes in Europe's largest shopping centre, the MetroCentre and with Surrey Quays. We have contracts with several student unions and are in discussions with Wolverhampton & Dudley Breweries who have 2,500 pubs in the UK regarding a trial of three units in Pitcher & Piano pubs.
- Advertisers: We have received expressions of interest in branding the PowerBox from Virgin, Virgin Mobile and Four Communications Group PLC.
- Other: We have received an expression of interest from a Norwegian telecoms company called Pincom who are interested in purchasing the rights for the PowerBox in Scandinavia.

⁸ This will not be installed until BB2

6.6 Product Pricing

The proposed charges for the use of the PowerBox are listed below. For the justifications of these prices see Section 7.2 and our Strategy and Business Assessment Report (available on request).

Lease Charge

The initial PowerBoxes will be leased to venues (i.e. they will remain the property of SMT) but no charge will be made for the lease. It is expected that pricing the PowerBox as free will provide a real incentive for venues to install the product.

Advertising Price

The price of advertising will depend on the ‘footfall’ of customers visiting the venue. There are three main markets:

Table 8 Advertising Markets

Ad Market	Example Venues	% of Market	Footfall	Advert Price per 6 mnths
Mass (BB2)	Airports, Conference, Music Festivals, Shopping Centres, Supermarkets, Train Stations.	5%	1000+ per day	£1500
Popular (BB2)	Service Stations, Pubs, Clubs, Gyms, Cafés, Cinemas, Holiday Villages.	90%	200-1000 per day	£1000
Niche (BB1)	Executive Lounges, Executive Boxes, Exclusive Hotels, Clubs & Gyms	5%	<200 per day	£750

The types of venues that fall into these markets can be seen in Appendix 8. Whilst we expect the majority of advertising to come from mobile companies it is believed that high quality brands such as Cartier, Rolex or Gucci will wish to target the ‘niche’ market.

We expect the average advertisement price (after discounts for mass campaigns) to be £2000 / year once we are operational. We have assumed a 5% sales commission will be payable bringing the net income from advertising to £1900 per PowerBox per year.

Usage Price

For the BB2 product there will be a usage charge for customers. This will be set at £1 for three reasons. Firstly, our survey showed us that this price produces the optimum income from the PowerBox (i.e. a 50p charge would not increase usage by 100%). More than £1 was reported as likely to hit usage dramatically.

Secondly, the £1 charge fits with a number of other products minimum spend such as jukeboxes, gambling machines and vending machines. Our nearest competitors (the Express Recharge and the ChargeBox, p. 15) also price their product at £1. Finally, a £1 coin is a convenient amount that most people carry, and only requires the use of one coin.

In cases where the venue decides to adopt BB2 (i.e. a payment system), SMT will propose a 50% revenue-share agreement which will be collected by SMT every three months (servicing and advertisement replacement happens at the same time).

7.0 Operational Strategy

7.1 Business Model

The SMT business model is rare but not unique in comprising both distribution and advertising networks. A justification for much of this business model can be found in Appendix 1. The most similar parallel for this model are national media contractors (e.g. Admedia) who buy advertising space in venues and sell the space to advertisers or vending machine operators (e.g. Reverse Vend). The PowerBox will be leased free of charge to venues ensuring SMT retains ownership of the product.

SMT will have two main sources of income:

1. Advertising revenue from the branded facia of the PowerBox. This will be arranged both directly with advertisers and through media buyers. The average charge will be £1000 per 6 month campaign.
2. Revenue share from the payments made by customers for use of the PowerBox. This excludes the BB1 product and will provide a 50/50 split between SMT and the venue. The average income for SMT per PowerBox is estimated at £1440 pa.

The key value-add of SMT is the relationship between the venues and the advertisers – SMT sits at the heart of this relationship.

It should be noted that for the first year of business the operational model will be slightly different:

1. The service operations (installation, servicing, repair) will be done by members of the SMT team. After this it will be outsourced to the Service Agency.
2. Much of the sales work will be done by members of the SMT team

The reason for this variation is primarily to ensure that with the early products, the quality of product and customer interaction remains at the highest possible level. We wish to build up personal and tacit business knowledge of our processes and customers before outsourcing these operations.

7.2 Sales Operations

Getting Sales off the Ground

SMT recognises that the usual minimum campaign for an advertiser is 50 locations. For this reason SMT has paid specific attention to the first year of sales. Our general approach for this period will be as follows:

1. SMT is approaching advertisers with a view of advertising on 50 PowerBoxes aimed at the youth market. 50 advertising spaces will be sold at a discount for a six month campaign.
2. Once the Year One target of 50 machines have been rolled-out SMT will sell targeted packaging on all machines. By this stage, SMT will have engaged a VMO to do the installation and servicing for the PowerBoxes.

Much of the sales will, after the first year, be handled through the VMO. However, it is expected that a core sales and marketing team will continue to approach chains of venues directly. The SMT sales team will not be full-time employees of the company but contractors paid on a commission. Even when contact has been made by a VMO, the SMT team will visit the venues to agree premium sites for the PowerBoxes.

7.4 Servicing Operations

Installation and Repair

The PowerBox will be leased to private venues where members of the public may need to recharge their mobile phones. Each PowerBox will have a service contract which will incorporate services such as repairs, upgrades and fault management.

In Year One the servicing and installation will be undertaken by the SMT team. From Year Two, this operation will be outsourced to an existing servicing company such as Ad-shell or a Vending Machine Operator (VMO). This agency will be responsible for the installation, repair and upgrading of the PowerBoxes. It will be provided with customer addresses and delivery requirements by SMT and will install / upgrade / repair the PowerBox for each customer. The Service Agency will also be responsible for changing the advertising material. The agency will also be offered an incentive to promote the PowerBox within their existing Vending Machine network.

Service operations and manufacturing will be managed through Service Level Agreements (SLAs) whilst SMT Ltd will retain the relationship with the buyers and advertisers, develop new products and maintain (and develop) the intellectual property (IP) for the product range.

Point-of-sale Support

SMT will provide the venue with front-line training and an operators' manual when the PowerBox is installed. In addition, the PowerBox will come with a servicing package that will guarantee the installation, servicing, maintenance, repair and upgrading of the PowerBox.

SMT will provide a dedicated line for venues to call with questions and comments. Super Mobile Tech will maintain ownership of the units and will be liable for them and for end users phones whilst they are being charged within the units. Super Mobile Tech will have public and product liability insurance. SMT will also provide Point of Sale material advertising the existence of the PowerBox to the venue's customers. This material will include instructions on the machine, posters, flyers and beer mats.

7.5 Advertising Operations

Initially, advertising will be sourced by SMT by going direct to telecoms companies and their agents. Once the first 300 are in place it will be easier to sell the advertising to other companies. Joe O'Mahoney will use his contacts in the mobile industry to lever advertising. Joe is currently talking to contacts in '3', Vodafone, Virgin and Carphone Warehouse. After the first year advertising sales will be (partially) outsourced to a media buyer such as Allied Media.

Some venues (e.g. Service Stations) may have an exclusive advertising contract with a Media Contractor such as Admedia. If this is the case, SMT will approach the Media Contractor with a revenue-share proposal and negotiate terms.

7.6 Manufacture and Supply Chain

The manufacture of the product will be outsourced to PPP who will put together components from the following manufacturers:

ANDR is producing tooling and subsequent supply of the three mouldings used on the PowerBox. They are based on the UK. We have a good relationship with EBIS and we have learnt from our earlier work that having them local is very useful. A good deal of time was spent refining the designs based on constructive feedback from EBIS. We have regular progress meetings to review progress and review any design or process issues.

The Einiminie Company Ltd is supplying our LED lighting which illuminates the front fascia advertising display of the PowerBox. The company is based in Liverpool in the UK. We have received a lot of advice on new and innovative ways to light the PowerBoxes and on how to create dynamic effects that will appeal to our advertisers. Einieminie have agreed to work with us on the development of lighting effects for next generation PowerBoxes.

KLF Engineering Ltd is based in Oxford. They make our PowerBox chassis and sheet metal parts. We use KLF because they have invested heavily £5M+ in heavy automated machinery that laser cuts, folds, welds, and studs our chassis and other sheet metal parts. They also have a state of the art powder-coat plant which is used to provide the PowerBox with a clean finish. The plant runs 24 hours a day and delivers parts at a very competitive price. They built their business by manufacturing metal doors, then diversifying into other markets using the same technologies to make best use of their investment in capital equipment.

LittleMan Designs (LMD), is a world-class 'Point-of-Sale' manufacturer based in Scotland. They make our back printed displays. These are made out of sheet polycarbonate which is printed with our advertisers graphic, then CNC routed to cut-out the doors, then heat folded to create the front fascia displays. LMD view our product positively because it provides long-term steady demand in contrast to their usual market which is seasonal and a new design every time. LMD are adept at turning round high quality designs quickly and are capable of matching any capacity we require from them.

We have a number of other smaller suppliers; they supply locks, solenoids, electrical & electronic components. A full list is available on request.

7.7 Internationalisation

SMT intends to prioritise the UK business before moving abroad. However, we have already had an approach from a Norwegian company, Pincon, who were interested in buying the rights for Scandinavia. Whilst licensing does not appear in the business plan, it is expected that Super Mobile Tech will be able to generate additional revenue by licensing the PowerBox abroad.

7.8 Reporting

The Company produces monthly management accounts including bank account reconciliations, profit and loss accounts and balance sheets. The Company's reporting date (financial year end) is 31 March. The first statutory accounts will cover the period incorporation (29 April 2005) to 31 March 2006. Once trading has commenced, management accounts will be expanded to measure actual versus budgeted results for key items including unit sales, advertising revenues, coin revenues, cost of sales and all major expenses.

7.9 Human Resources

Current Resources

Most of the effort and co-ordination in starting-up SMT was undertaken by Jiminy Cricket and Joe O'Mahoney. In the last year, this team has expanded and the increased workloads have demanded some specialisation, however, the team still retains much flexibility and communicates regularly on all major decisions.

- **Managing Director**

Jiminy is the Managing Director of SMT and is currently the only full-time member of SMT. As well as fulfilling all the usual strategic and administrative roles of MD, Jiminy leads the product development team and co-ordinates the design, production and development of the PowerBox.

Jiminy works closely with Neil Quirk, an electronics engineer, and manages the relationships with our suppliers. Jiminy has resigned his position as Senior Analytical Engineer at Mojo Ltd to work on the Super Mobile Tech Project.

- **Marketing Director**

Joe O'Mahoney is the Marketing Director and focuses on the design of marketing materials, development of the Business Plan and developing contacts in the Mobile sector. Moving forward Joe will be responsible for developing business with advertisers and venues.

Joe is currently employed as a lecturer at Cardiff University. This job provides him with significant 'research time' in which to work on SMT activities.

- **Financial Director**

King Reginald is the Finance Director of SMT and is focused on preparing the financial forecasts for the Business Plan and raising venture capital for the company. KR's primary occupation is wealth management.

KR is contracted with Super Mobile Tech until May 2006 in return for 6% of the company shares and a finder's fee of 2.5% of capital raised. He has committed to continuing part-time after this date.

- **Electrical Engineer**

Nimby Pimby has provided invaluable expertise in developing the electrical systems for the PowerBox, especially on the wireless call-alert system. Neil left his previous job as an electronics engineer at Mojo Ltd. to work full-time on the PowerBox.

- **Sales Managers**

KOM and JPL are currently working part-time on the sales to venues. They currently draw no salary.

Future Resources

These additional roles will be required for the ongoing operation of SMT. Some of these roles may be combined depending on the amount of capital that is raised. A detailed overview of each role can be found in our Strategy and Business Assessment Report.

- **Company Administration and Management**

This role will be responsible for the smooth running of the company. Duties will involve record keeping, accounts, invoicing, payroll, contract management and HR.

- **Advertising Sales**

This role primarily interfaces with media buyers and negotiates rates. It is primarily an account manager role but extends to developing new business and agreeing contracts with buyers.

- **Distribution Development**

This role interfaces with the management of groups owning venues and the venues themselves, as well as the contracts with the servicing company. It is responsible for the negotiation of prime sites in each venue and ensuring the strategic alignment of PowerBox placements with the advertising strategy.

- **New Product Development**

This role is crucial to the future of SMT as the company must improve its products and develop new ones in line with market trends and consumer demand, especially as mobile technology advances. The role will be responsible for finding and developing innovations for business use in the SMT. The team will keep abreast of relevant developments in the industry as well as developing bespoke technological prototypes for SMT.

- **Servicing**

This role covers all activity that takes place within the venues including installation of the PowerBox, upgrades and repairs, in-venue promotions, the changing of adverts and the collection of monies. Initially, this will be done by the SMT team but will be outsourced at the end of Year One.

8.0 Financial

8.1 Highlights

The key points of the business plan are as follows:

Table 11 Revenue Projections (UK)

Year	2007	2008	2009
No. of BBs (cumulative)	71	391	751
Revenue £000s	74.6	688.7	1,800
Expenses £000s	148.1	623.4	865.4
Pre-tax Profit £000s	(79.5)	56.3	925.7

8.2 Assumptions

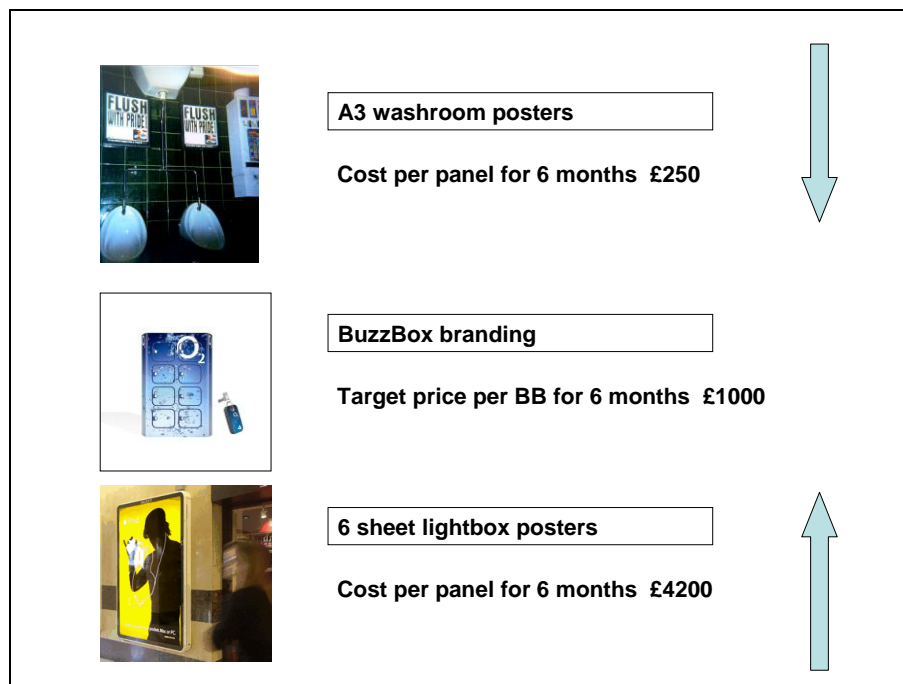
Many of the assumptions were made after our marketing survey and discussions with stakeholders in the industry. However, SMT also used an external consultancy (Acuity) to produce a report assessing our assumptions and business model which is available on request.

Lease of BB: £0

It is felt that most establishments would not pay a significant amount for the service as many of them would not see a major return on their investment, although many would welcome the additional service for their customers. Rather than charge a small amount it was felt that 'free' provided a more sellable message. This allows venues to see the PowerBox as a service they offer customers that will enhance their offering at no expense.

Average Advert on PowerBox: £1000 per six months

The cost of advertising will depend on the footfall of the establishments and the precise location of each advert. As a comparison it was felt that the PowerBox offered an advertising medium somewhere between A3 washroom posters (priced at £250 per panel per 6 months) and the large light-boxes (priced at £4200 per panel per 6 months) as illustrated below:



SMT believes that the utility of the PowerBox makes it more valuable and interactive however it may have less visibility than a poster in a washroom. Ultimately, the pricing of, say, a campaign running across 300 PowerBoxes for 6 months will be assessed by a media buyer against a combination of factors such as Venue quality, Venue location, Visitor demographics, Venue footfall and Consumer dwell-time. The £1000 includes the media-buyers fee.

Customer's Cost of Using BB2: £1

For the BB2 product there will be a usage charge for customers. This will be set at £1 for three reasons. Firstly, our survey showed us that this price produces the optimum income from the PowerBox (i.e. a 50p charge would not increase usage by 100%). More than £1 was reported as likely to hit usage dramatically. Secondly, the £1 charge fits with a number of other products minimum spend such as jukeboxes, gambling machines and vending machines. Our nearest competitors (the Express Recharge and the ChargeBox, p. 13) also price their product at £1. Finally, a £1 coin is a convenient amount that most people carry, and only requires the use of one coin.

Use of the PowerBox: 8 uses per day

According to our research, 25% of people in target venues had low battery power and 50% of these would pay £1 to recharge their phone. These figures give SMT a target group of 12.5% of venue users that would pay to recharge their phone.

There are several issues that will deter users from using the machine including security and privacy concerns, the availability of change (of £1), the novelty of a new machine and the amount of time an individual has to spend in a venue. We have assumed that these factors will mean that only 25% of the target group would actually use the machine, which gives a total figure of 3.125% of all customers that are likely to use the PowerBox in any given venue.

If we assume an average venue has 250 customers a day this gives a figure of approximately 8 people a day who will actually use each PowerBox. Co-incidentally, this is also the number of compartments on the PowerBox.

Appendix 1 Business Decisions

The SMT team has had many long discussions and done much research into the best way to operate the business. The table below outlines the reasoning behind key business decisions:

Business Question	Justification
Why outsource servicing?	<p>Our business model was chosen over others because existing companies already have the facilities, networks and expertise to deliver cost effective service operations and we do not wish to compete with them in trying to create our own servicing company.</p> <p>The biggest ‘value-add’ of the business model is through managing the client relationships (with advertisers and venues) and the Intellectual Property. In Jiminy and Neil we have very strong design expertise and we feel we should exploit this asset in designing subsequent versions of the PowerBox.</p>
Why not sell through a Media Contractor?	<p>A quick way of maximising sales would be to go through a Media Contractor such as Admedia that already has a strong presence in thousands of venues. However, most of these agencies have a strong advertising relationship with suppliers that they would wish to maintain. Their focus would, therefore, be on using SMT as a manufacturing house which would cut us off from key revenue streams.</p> <p>However, we will find that many venues already have exclusive contracts, either with Media Contractors (controlling the advertising) or Vending Machine Operators (controlling vending). If we find this to be the case we will first attempt to negotiate an exemption and, if this fails, negotiate favourable terms with the exclusive operators.</p>
Why keep first year operations in-house?	<p>In the first year we have decided to keep much of the sales and servicing in-house as we believe this will provide us with a good opportunity to get to know our customer needs better. We also believe that the first year sales will be harder to predict than subsequent years and wish to remain firmly in control of supply and demand during this period.</p>
Why not simply licence the idea?	<p>SMT could have made some quick money in simply licensing the idea to an existing vending operators or Media Contractor. However, the real payback is to be found in the operation of the machines on an ongoing basis. Once a PowerBox is produced it has a long shelf-life in which to produce cash-rich revenues through advertising and coinage. Licensing would have allowed another company to make a vast amount of money with relatively little expenditure. Moreover SMT are proud of the PowerBox and see considerable scope for developing the product with the R&D skills that the team possesses.</p>

Business Question	Justification
Why go for a big launch?	<p>We believe we could launch a successful company with an investment of around £50,000, however, this approach has two major weaknesses. The first is that the growth of the company would be much slower as the marketing and sales budget would be much less. Consequently, this would allow competitors to imitate the product and produce it on a mass-scale, thereby squeezing us out of the market.</p> <p>The second is that this would not allow us to launch in the world's biggest market, the USA, for some years. Indeed, by the time we got around to this, a cheaper imitation would probably have beaten us to it. A 'big bang' approach to the product is a good way of ensuring fast profitable returns.</p>
Why outsource manufacturing?	<p>Super Mobile Tech gave considerable thought to outsourcing the manufacturing of the product. However, we eventually decided to outsource the product because this will enable the rapid expansion of production, build upon existing economies of scale and use expertise that we do not have in the Super Mobile Tech team.</p>

Appendix 2 Sales Forecasts

<u>Quarter</u>	<u>Quarter</u>	<u>Cumulative</u>
'07 Q2	17	17
'07 Q3	24	41
'07 Q4	30	71
'08 Q1	60	131
'08 Q2	80	211
'08 Q3	90	301
'08 Q4	90	391
'09 Q1	90	481
'09 Q2	90	571
'09 Q3	90	661
'09 Q4	90	751
Totals	751	751

Appendix 3 Curriculum Vitae

The CVs abridged below are a shorter version of the full descriptions which are available on request:

Dr. Jiminy Cricket

Jiminy worked for ten years as a Senior Analytical Engineer for Mojo. His key skills involve leading teams in New Product Design, Product Analysis and Product Simulation. Jiminy completed his PhD in 2004 and previously completed an MPhil and a BEng. He is a Corporate Member of the Institute of Mechanical Engineers and a Chartered Engineer.

Dr. Joe O'Mahoney

Joe is currently a lecturer in Organisation Studies at Cardiff University. Prior to this he was a Senior Business Analyst at Three, where he led teams designing the organisation and the new 3G products. Before that he was a Senior Management Consultant at Xansa implementing change programmes at BA, Energis, BAT and RBS. He completed his PhD in Change Management at Warwick Business School in 2000.

King Reginald

KR is the (part-time) Finance Director of SMT. He is the founding owner and MD of a licensed investment business, owner and MD of a family office support business and is joint owner and MD of a licensed fiduciary services business. He currently holds a number of directorships in the insurance management, commercial insurance and warranty services industries. KR was formerly Director in charge of a leading international bank and was a Director and Senior Manager of Toys R Us.

Appendix 4 Legal and Compliance

- Trade name: Super Mobile Tech Ltd.

Appendix 5 Risk Analysis

There are several risks that we have identified in the table below, the likelihood and impact on our business has been scored out of 5. A likelihood score of 0 means it will never happen, a likelihood score of 5 means it has already happened. An impact score of 0 means that it will have no impact on our business; an impact score of 5 means it will heavily impact our business. These are being controlled as part of the ongoing project management:

Risk	Likeli-hood	Impact	Discussion
Competition	5 / 5	2 / 5	The market for the PowerBox is huge and easily big enough for several competitors. However, at the moment, the PowerBox is the only product that enables dual revenue from coinage and advertising. We also intend to stay ahead of the competition by pursuing several enhancements to the product and by applying for several patents.
Improved phone battery life	2 / 5	2 / 5	<p>Whilst it is likely that battery improvements will be made, any significant increases appear to be far on the horizon. The much heralded fuel-cell batteries are a long way off matching standard lithium cells and standard batteries appear to be reaching the point of diminishing returns.</p> <p>Over the next few years, however, there are several enhancements that will draw increase the power requirements of many phones including Mobile-TV, MP3 players, 3G and GPS technology.</p> <p>To ensure that SMT does not get caught by technological innovation in this area it will progress the PowerBox quickly from a simple recharging point to a single-point of contact for all mobile needs. It will monitor innovations in this area to ensure it has early warning of any threatening changes.</p>

Risk	Likelihood	Impact	Discussion
Alternative rechargers	5/5	1/5	There are a number of ways of recharging flat phones from car-phone chargers to USB chargers, spare batteries, key-fobs and solar panelled rechargers. However, these products have relatively low penetration because they rely upon people to carry them. The PowerBox is not aimed at the same market as these products and the ubiquitous roll-out of the PowerBox is likely to damage the sales of these innovations rather than vice versa.
Vandalism	4/5	1/5	The PowerBox is susceptible to vandalism on two counts. Firstly, the key-fobs can be stolen (although the user loses their £1 deposit) and secondly, because the compartments can be opened. Regarding the former, an assumption has been built into the business plan for this. The key-fob cannot be removed until a phone has been attached. Regarding the latter, the PowerBox is no more susceptible than standard vending machines. Moreover, the PowerBox will always be placed in semi-secure areas such as hotels, gyms and airport lounges where vandalism is less likely.

Appendix 6 Data Protection Act (UK)

To ensure compliance with the DPA we have registered with the Data Protection Register on the UK on the 29/12/05 and adopted a policy on information control and security that comprises:

- Voluntary notification of the Data Protection Supervisor (No: N001849)
- Taking precautions on physical security
- Installing firewalls and passwords on all PCs holding personal data
- Holding back-up files away from the headquarters
- Having a person responsible for all DPA issues (Jiminy Cricket)
- Identifying key information relevant to the business operations (see below)

The key information requirements for SMT Ltd. include:

	Subjects	Classes	Recipients
Accounts and records	Complainants, correspondents and enquirers Customers and clients Suppliers	Financial details Goods or services provided Personal details,	Business associates and advisers; Data subjects; Central government; Business Associates; Credit reference agencies; Debt collection and tracing agencies Employees and agents of the data controller; Financial organisations and advisers; Suppliers, providers of goods or services
Advertising Marketing and public relations	Advisers, consultants and other professional experts Complainants, correspondents and enquirers Customers and clients	Family, lifestyle and social circumstances Goods or services provided Personal details	Business associates and other professional advisers Data subjects themselves Suppliers, providers of goods or services
Staff	Relatives, guardians and associates of the subject Staff incl. volunteers, agents, advisors, consultants temporary and casual workers	Education/Training Employment Financial details Personal details Health / condition Racial, ethnic, Religion, Offences, Services Provided Trade union membership	Central government; Relative, guardians or other persons associated with the subject; Current, past or prospective employers Data subjects themselves Education, training establishments and examining bodies; Offices of Central government Employment and recruitment agencies Financial organisations and advisers Relatives, guardians or other persons Suppliers, providers of goods or services

Appendix 7 SMT Consultants, Contractors and Agents

Accountants & Advisors

XXX

Bankers

XXX

Advocates

XXX

Consultants

XXX

Appendix 8 Venue Details

	Popular Market	Niche Market	Mass Market
Pubs / Clubs	Wetherspoons, Enterprise Inns, Punch Taverns Walkabout, Fox London.	The Met Bar, Boujis, Pitcher and Piano, Mint Leaf, Slug & Lettuce, All Bar One, China Whites.	Heathrow Airport, Gatwick Airport, NEC, NIA, Earls Court, Wembley Stadium, V-Festival, Glastonbury
Gyms / Spas /	Cannon, Fitness First, Virgin Active, Holmes Place, Living Well, Living Well, Top Notch, Leisure Centres, Skin Health, Aspara	Champneys, David Lloyd, Esporta, Next Generation, Fitness Exchange, The Grove, The Third Space, GymBox, KX Gym, The Refinery, The Sanctuary.	Festival, Leeds & Reading Festivals, Barbican Centre, ExCel Centre, Formula One, Wimbledon, Edgbaston, Lords, Old Trafford, Cirque, Ministry of Sound, Tate
Hotels	Centreparks, Butlins, Pontins, Travel Lodge, Corus, Mitchells & Butlers, Ibis, Accor Haven Holidays, Best Western, Premier Travel Inn, Holiday Inn	Hilton, Sheraton, Mandarin Oriental, Shangrila, Peninsula, Conrad, Four Seasons, Millennium Hotels, Malmaison, Marriot, Thistle, Hyatt, The Savoy Group	Modern, The National Gallery, The National Portrait Gallery, Paddington, Waterloo, Euston, London Underground, Thames Dockland Light Railway, Cardiff Indoor Arena, Millennium Stadium, Ascot, The Eden Project, Universities and Schools, British Library, Natural History Museum, V&A Museum, British Museum, Lakeside Shopping Centre, Trocadero, Canary Wharf Shopping, Ferries
Cafés / Food	McDonalds, Burger King, Pizza Hut, Café Nero, Costa Coffee, Coffee Republic, Ask, EAT, Whitbread, Starbucks, Pizza Express, Café Uno	Ramsay Holdings, Whites, Browns, Petit Blanc, Conran Restaurants, Artisan, Browns, Caprice Holdings, Nobu	/ Cruise ships, Amusement Parks: Alton Towers, Thorpe Park, Chessington,
Service Stations	Moto, RoadChef, Welcome Break, Little Chef.		
Cinemas / Theatres	UCI, Odeon, Vue, UGC, Apollo, Cine World	iMax, Barbican Screen, The Really Useful Group, Ambassadors	
Businesses	Ministry of Defence; Old Bailey;		

Other	Railway Cafés (e.g. The Lemon Tree) Casino Chains, Bingo Halls, Bookmakers	ServisAir, BA & Virgin Executive Lounges	Legoland
Shopping	Tescos, Sainsburys, Virgin Megastore, House of Fraser, TopShop	Selfridges, Harrods, Harvey Nichols, John Lewis	Bluewater, Trafford, Cheshire Oaks, Lakeside, Metro

Appendix 9 Market Research

SMT completed its first stage of market research with both businesses (potential buyers) and their customers. We surveyed 20 business' through face-to-face interviews with managers and 10 customers in each business. Where possible we only visited chains as these would be our primary market. We did not discuss cost with the managers as this would be discussed centrally with most chains and not negotiated at a local or branch level.

The results presented below are a summary from a larger set of questionnaires.

User Responses

1. Would you recharge your phone if it were low on power and there the service were free?

	YES	NO	DON'T KNOW
AIRPORTS	100	0	0
HOSPITALS	90	10	0
GYMS	90	0	10
CAFES	90	0	10
PUBS/CLUBS	90	10	0
CINEMAS	90	10	0
RAILWAY / TUBE	90	10	0
SERVICE STATIONS	80	10	10
AVERAGE	90.00	6.25	3.75

2. Would you pay 50p to recharge your phone if it were low on power?

	YES	NO	DON'T KNOW
AIRPORTS	100	0	0
HOSPITALS	80	10	10
GYMS	50	20	30
CAFES	40	20	40
PUBS/CLUBS	50	20	30
CINEMAS	60	20	30
RAILWAY / TUBE	60	20	20
SERVICE STATIONS	40	40	20
AVERAGE	60.00	18.75	22.50

3. Would you pay £1 to recharge your phone if it were low on power?

	YES	NO	DON'T KNOW
AIRPORTS	90	0	10
HOSPITALS	70	20	10
GYMS	40	40	20
CAFES	30	50	20
PUBS/CLUBS	50	30	20
CINEMAS	40	30	30
RAILWAY / TUBE	40	30	40
SERVICE STATIONS	40	30	30
AVERAGE	50.00	28.75	22.50

4. Would you pay £2 to recharge your phone if it were low on power?

	YES	NO	DON'T KNOW
AIRPORTS	30	60	10
HOSPITALS	20	60	20
GYMS	0	70	30
CAFES	10	60	30
PUBS/CLUBS	20	60	20
CINEMAS	10	50	40
RAILWAY / TUBE	10	60	30
SERVICE STATIONS	0	60	40
AVERAGE	12.50	60.00	27.50

5. What % charge is your phone on?

	0 - 33%	33 - 66%	66 -100%
AIRPORTS	30	30	40
HOSPITALS	30	50	20
GYMS	30	40	30
CAFES	30	30	40
PUBS/CLUBS	30	50	20
CINEMAS	20	40	40
RAILWAY / TUBE	20	40	40
SERVICE STATIONS	10	40	50
AVERAGE	25.00	30.00	20.00

Venue Responses

We asked managers in five target venues the questions listed below⁹. The figures are given in percentages:

I believe the PowerBox could provide the venue with an additional revenue stream									
I would charge customers to use the service									
I believe the PowerBox will encourage people to visit this venue									
I believe the PowerBox would encourage visitors to stay longer in the venue									
I believe the PowerBox will enhance out customer services									

- 67% of businesses said that they believed the PowerBox would enhance their customer services
- 62% of businesses would use the product to generate additional revenue.
- The majority (75%) of businesses we contacted suggested that they would prefer to charge their customers to use the service.
- The sectors that were most favourable were chains of pubs, gyms and airports. Those least favourable were railway stations and motorway service stations.

⁹ Note that as this was an early piece of research we had not identified all of the target markets e.g. Hotels, Conference Centres.

Appendix 10 Research & Development

From its original conception the PowerBox has been through several revisions. Using the skills of both Kinneir Dufort and Jiminy Cricket, SMT initially developed the product to the left.

However, whilst this design was fine to look at we felt that advertisers may object to the centre of their branding being cut out and also felt that we could reduce costs by opting for a simpler design.

This led us to produce the current design that is pictured to the right. The design scheme has been developed to maximise the coverage and appeal of the advertising space. This new 'Basic' design also means that the unit can be physically delivered and installed by a single workman.

A small UK consortium led by Jiminy Cricket developed the wireless key-fob design. Part of the electrical and electronic design work is also being carried out by Marturion Ltd, who have developed a number of wireless alert devices similar in function to ours in the past.

SMT is dedicated to developing Intellectual Property and currently has a new patent being developed for the wireless alert facility. Together with our Patent Agent Milan Popovich we believe that the SMT team possess the key skills and innovative capacity to drive further development faster and better than our competitors.