CJS TECHNOLOGY

AIOB (All In One Bluetooth)

Steven Szachara, Carly Fleischer, Chris Polera, James Shin

Elevator Pitch

The All in One Bluetooth, or AIOB, is a bluetooth beacon designed by CJS Tech that helps new and established restaurants grow by advertising locally, organizing finances, and displaying bluetooth location data to identify strengths and weaknesses of the business. By using cutting edge bluetooth location beacon technology, and comparing the data to financial projections, the AIOB is able to guide restaurant owners to make accurate decisions, innovate, and re-focus their value within their business, allowing them to prosper.
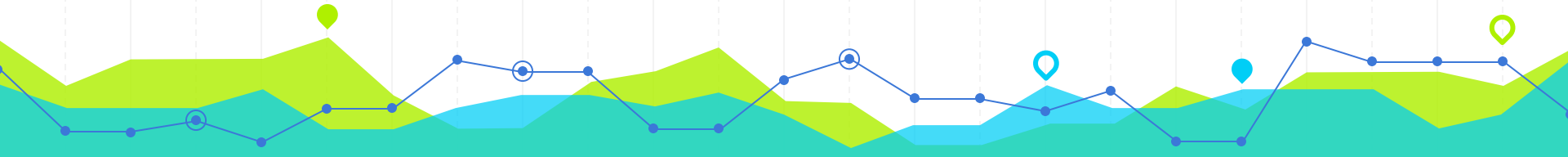
Opportunity

- Restaurant business has the highest failure rate: 60% failing within the first year, and 80% gone by year five[1]
- Restaurants are constantly starting and failing due to similar reasons:
  - Unable to get customers in the door
  - Lack of financial organization and understanding
  - Unable to keep customers loyal
  - Unable to see the true value of their business
- Bluetooth Location Beacon Technology is evolving and growing substantially
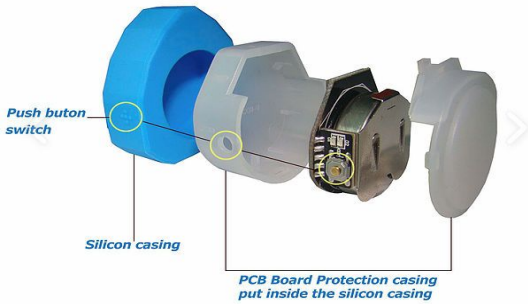 - Bluetooth advertising is a fresh market

[1] http://www.businessinsider.com/why-restaurants-fail-so-often-2014-2
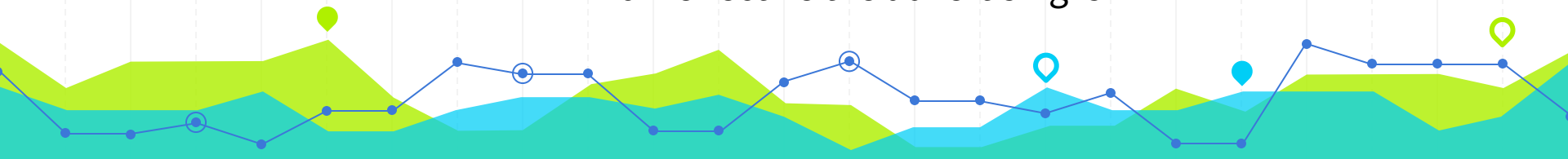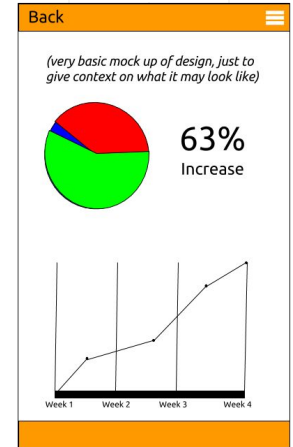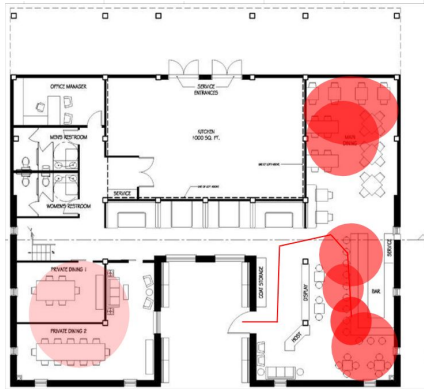
Strategy

- CJS Tech's mission to is combine the rise of bluetooth advertising technology with financial organization software, and bring it to the struggling restaurant ownership market.
- Unlike other bluetooth beacons on the market, the AIOB focuses its data on restaurant ownership.
  - Combines financial organization software with bluetooth advertising and movement tracking
- With these tools, restaurant owners will be able to identify the strengths and weaknesses of their business and thus, be able to grow into a prospering restaurant.

The AIOB

Push buton switch

Silicon casing

PCB Board Protection casing put inside the silicon casing

- Physical beacon and cross-platform compatible app that displays data gathered
- Notifies users about an establishment through a digital message to customers and tracks the financial results and data
- Will display
  - Finances in comparison to the internal traffic
  - Traffic gained from advertising
  - How effective the advertising is

Back

(very basic mock up of design, just to give context on what it may look like)

63% Increase

Week 1 Week 2 Week 3 Week 4

The Business Model

	Foundation Level	Proprietary Level
How do we create value?	Selling a Product only No customization Narrow Lines Shallow Lines Sell product by itself Direct Distribution Outsourcing manufacturing	Offer 30-day money-back guarantee 20% off if you have multiple locations, or refer another business friend to our product (Only for first year)
Who do we create value for?	B2C (Sell online) National Niche Retailer Transactional	All states in the U.S. especially those with high populous cities Restaurants or food suppliers new and old
What is our source of competence/advantage?	Creative or innovative capability	All in one package for financing and bluetooth technology Simple and easy to use Does not have a battery, always on recording data
How do we differentiate ourselves?	Intimate customer relationship/experience	Top priority is helping restaurants stay open Top notch customer support
How do we make money?	Fixed Low Operating Leverage High Volume Low Margins	Growing market in Bluetooth technology Restaurants are constantly starting and failing
What are our time, scope and size ambitions?	Growth Model	Focused on capitalizing growth opportunities based on other components of the business model and market trends

How Do We Create Value?

How do we create value?	Selling a Product only No customization Narrow Lines Shallow Lines Sell product by itself Direct Distribution Outsourcing manufacturing	Offer 30-day money-back guarantee 20% off if you have multiple locations, or refer another business friend to our product (Only for first year)

Helpful Breakdown	
Breadth (Wide)	Narrow: Because we are a retailer, we will only limit ourselves to one product line. The line will sell the AIOB device along with access to the app pairing with it.
Depth	Shallow: There will be no variety with the AIOB because the main focus is the data that comes from it, and aesthetically, a varied visual on the product is not needed.

- Product will be sold online through the website, and shipped from CJS Tech.
- Obtain the patent license, hire BlueRocket for the app, and KEK design will make the AIOB product.
- Offer a 30-day money-back guarantee
- 20% discount if the buyer needs multiple units or refers another customer
  - Only for First Year

Who Do We Create Value For?

- Perfect for both new and old businesses who are struggling with:
  - Getting customers in the door
  - Financial Understanding
  - Advertising
  - Innovating
- Niche market of restaurant owners in the U.S. is continually growing
- Our product helps these businesses stay in business

Who do we create value for?	B2C (Sell online) National Niche Retailer Transactional	All states in the U.S. especially those with high populous cities Restaurants or food suppliers new and old

What is Our Source of Competence?

What is our source of competence/advantage?	Creative or innovative capability	All in one package for financing and bluetooth technology Simple and easy to use Does not have a battery, always on recording data

- Our beacon focuses in on how bluetooth location data effects finances, a creative and innovative idea unique to the broad bluetooth beacon market and the business financial software market
- This creative and all encompassing idea is what will keep us competitive.
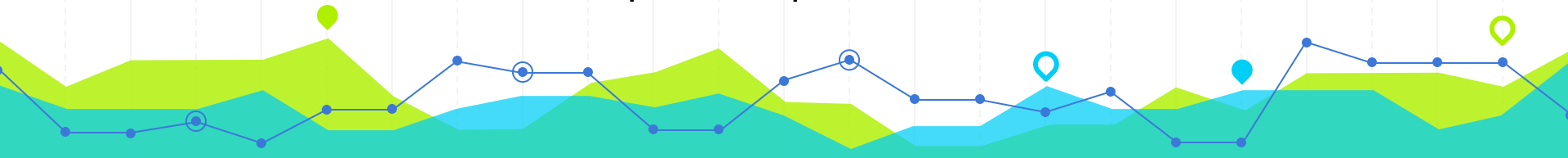
How Do We Differentiate Ourselves?

How do we differentiate ourselves?	Intimate customer relationship/experience	Top priority is helping restaurants stay open Top notch customer support

- We promise that if our customers are at all not satisfied with the results, we will issue a full refund for their purchase.
- Our focus is on providing the restaurant owners with a product that will help them grow, and customer support is a number one priority.

How Do We Make Money?

How do we make money?	Fixed Low Operating Leverage High Volume Low Margins	Growing market in Bluetooth technology Restaurants are constantly starting and failing

Helpful Breakdown	
Operating Leverage	Low Operating Leverage; for our model, there will be low fixed costs & high variable costs, meaning a low operating leverage
Volumes	High Volume; reflected in our Growth Model, we will continually be selling multiple units of the AIOB and invest in mass production to minimize cost of the product
Margins	Low Margins; Our product at first will be a higher than some bluetooth beacons, but the same price as regular business finance software. As we grow, we may have the option to lower the price to appeal to even smaller businesses like food trucks or stands.
Pricing Model	Fixed Pricing; Consistency is best.

- Based on analysis,team projects that the license will cost $13,000 for yearly use
- Estimate $30,000 for BlueRocket to develop the app
- Submit our prototype to KEK design and engineering company, serve as a manufacturing partner.

How Do We Make Money? (cont.)
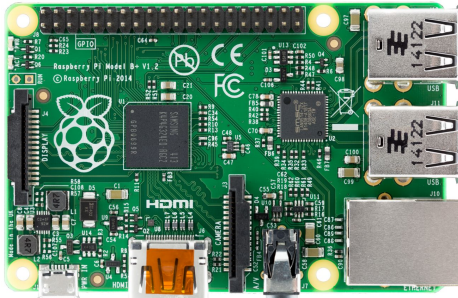
Cost of AIOB (Rough Estimate) - $30	
Computer Hardware: $25	- ARM CPU/GPU $10 - GPIO $4 - USB Port $2 - 5v Micro USB power connector $4 - Bluetooth Dongle $5
Plastic Casing: $5	- Silicon $2 - PCB Board Protection $3

- AIOBs will cost $30 each to make
- Cost $35,000 total for 500 AIOB prototypes from KEK
- $175 for sale price
- In terms of raising capital, best means is family investment
  - Each member invests $20,000
  - Total initial capital $80,000

Year 1	First 6 Months - Raise the investment of $80,000 - Reach out to KEK design and start developing prototypes - Reach out to BlueRocket for app development - Finalize Website Hosting and Building - Sell First 500 Next 6 Months - Re-order Another 1000 - Sell the next 1000	Numbers for 6 months +$80,000 (Investment) -$13,000 (License) -$30,000 (App) -$35,000 (500 AIOBs) -$2,000 (Website) +$87,500 (Sell 500) -$8,000 (Potential 10% of people who used 20% promo deal) Numbers for 6 Months -$70,000 (Buy 1000) +$175,000 (Sell 1000) -$16,000 (Potential 10% of people who used 20% promo deal)
Totals for Year 1		Units Sold: 1,500 Net Profit: $168,500 Total at End: $168,500
Year 2	First 4 Months - Buy License - Order 1500 Units - Sell 1500 Units - Reach out to BlueRocket again to add additional features Next 8 Months - Order 2500 Units - Sell 2500 Units - Move into additional office space/distribution office - Hire two app developers	First 4 Months Numbers -$13,000 (License Fee) -$105,000 (Buy 1500) -$50,500 (BlueRocket) +$262,500 (Sell 1500) Next 8 Months Numbers -$175,000 (Buy 2500) +$437,500 (Sell 2500) -$50,000 (Buy Office) -$65,000 (Hire App Dev) -$65,000 (Hire App Dev)
Totals for Year 2		Units Sold: 4,000 Net Profit: $176,500 Total at End: $345,000

How Do We Make Money? (Timeline)

- Totals for Year 1:
  - Units Sold: 1,500
  - Net Profit: $168,500
  - Total at the End of the Year: $168,500
- Totals for Year 2:
  - Units Sold: 4,000
  - Net Profit: $176,500
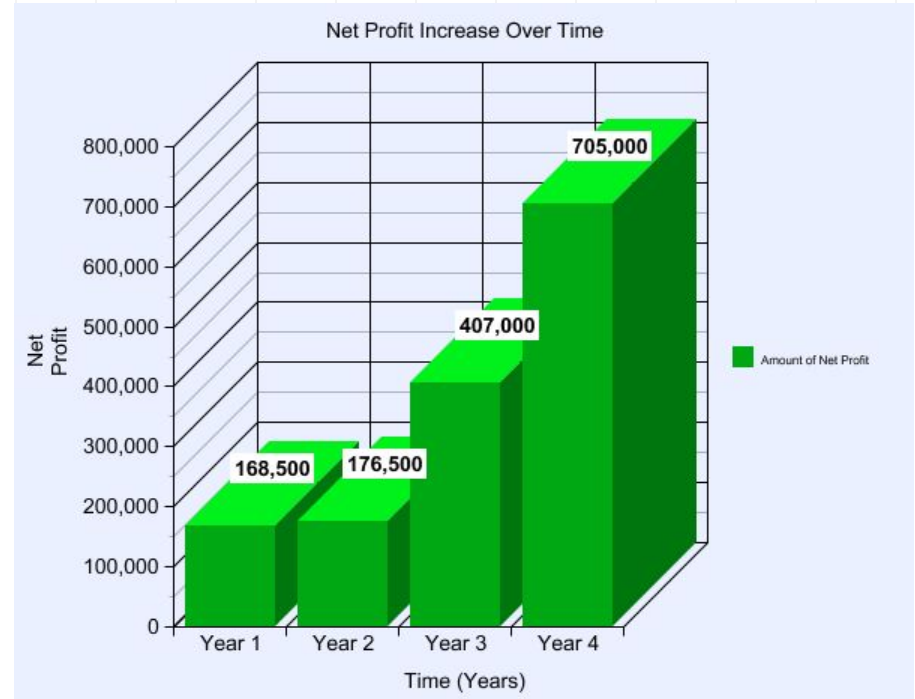 - Total at End of the Year: $345,000

How Do We Make Money? (Timeline)

Year 3	<u>Whole Year</u> - Re-Order License - Order 4000 Units - Start Development for advanced AIOB - Sell 4000 Units	<u>Numbers for Whole Year</u> -$13,000 (License) -$280,000 (Buy 4000) +$700,000(Sell 4000)
Totals For Year 3		**Basic Units Sold: 4,000** **Net Profit: $407,000** **Total at End: $752,000**
Year 4	<u>Going Forward (Into Year 5)</u> - Order 8000 Units - Buy 250 Advanced/Sell Advanced($400 each) - Sell 8000 Units - Hire Software Developer	<u>Numbers for Going Forward</u> -$560,000 (Buy 8000) +$1,400,000 (Sell 8000) -$35,000 (Buy Advanced 250) +$100,000 (Sell 250 Advanced AIOBs) -$200,000 (Dev Salary + Soft Dev)
Totals For Year 4		**Basic Units Sold: 8,000** **Advanced Units Sold: 250** **Net Profit: $705,000** **Total at End: $1,457,000**

- Totals for Year 3:
  - Units Sold: 4,000
  - Net Profit: $407,000
  - Total at the End of the Year: $752,000
- Totals for Year 4:
  - Units Sold: 8,000
  - Net Profit: $705,000
  - Total at End of the Year: $1,457,000

Size Scope and Ambitions

- Growth Model
- Net profit almost doubled by year 4, would continue following into year 5
- The AIOB is a unique approach, combines cutting edge bluetooth location beacon technology, advertising, and financial organization
- Our team is dedicated, passionate, and ready to pursue this venture head on

Net Profit Increase Over Time

Net Profit values by year:
- Year 1: 168,500
- Year 2: 176,500
- Year 3: 407,000
- Year 4: 705,000

Legend: Amount of Net Profit

Y-axis: Net Profit (0 to 800,000)
X-axis: Time (Years)

We are CJS Tech, and our product is the AIOB.

Questions?

Bibliography

http://capitalistcreations.com/the-5-worst-industries-for-entrepreneurs-to-enter/

http://possector.com/management/restaurant-failure

http://computer.howstuffworks.com/raspberry-pi2.htm

http://www.digitaltrends.com/mobile/informate-report-social-media-smartphone-use/

http://time.com/4147614/smartphone-usage-us-2015/

http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/

http://savvyapps.com/blog/how-much-does-app-cost-massive-review-pricing-budget-considerations

http://computer.howstuffworks.com/raspberry-pi2.htm

http://www.businessinsider.com/why-restaurants-fail-so-often-2014-2

http://www.google.com/patents/US20140087752

https://learn.adafruit.com/pibeacon-ibeacon-with-a-raspberry-pi/overview

http://epsilonindustries.com/pricing/cost-of-plastic-part-production/