

# Clevernet 9 Month Business Plan

## Clevernet Vision

Coming from elsewhere, one of the things that strikes us most is the irregularity of the roads and the somewhat confusing signs. We believe that this irregularity and confusion leads to large amounts of inefficiency. Thus, our vision is:

To straighten out the roads in the Canary Islands: increase efficiencies by facilitating electronic communication and reducing the number of stops needed to get from point A to point B.

## Purpose of this Plan

After executing this plan we should be able to determine whether working together, as a business, is profitable (or will be in the near future) and thus worthy of continued effort and commitment.

Profitability is achieved in the following ways:

### Generate Unlimited Income

- Don't tie projects to hours worked (except to make the client feel comfortable)
- Make something once, duplicate it digitally, and sell the duplicate repeatedly
- Allow others (people or robots) to work in our name

### Prioritize Our Workload

- Don't tie projects to hours worked
- Describe progress via tasks and milestones
- Recognize that crises are a failure to properly set our clients' expectations
- Schedule "maintenance" time for Clevernet (10 to 20 hours per week, per person)
  - Writing bills
  - Sales meetings
  - Bureaucratic activity
  - Cleaning
  - Computer maintenance
  - Training (our personnel)
- Schedule appointments at least one free space out from today (to leave room for genuine emergencies)
- Schedule new work before it has been contracted
- Schedule vacations, holidays, and illnesses, real or imagined

### Our Unique Strengths as a Team

Teo and Uli joined resources because they have complimentary technical skills. They believe that by working together, they can provide a wider range of IT services than if they work alone. They believe that the services they provide will be of interest to their clients: clients who need computer support would usually benefit from web sites and

vice versa. In theory, Teo and Uli should be able to spend less time selling and more time billing. In fact, time lost selling should be cut in half.

It is my impression that Uli and I are highly skilled compared to the few other IT people we've met. I suspect that it would be very easy for us to become swamped with projects. Therefore, we need to make sure that we bill as much as possible when given the opportunity. Our hourly rate needs to be high enough to allow us to be discriminatory about what projects we take on.

I want our clients to beg for us. I want our clients to fight for our attention. In the words of Eugene Burger: "Never perform for your audience unless they beg."

That said, what are we going to do to multiply our income (if anything) so that each hour worked pays a multiple of what we currently charge?

It's difficult to imagine any of this happening without involving (hiring) several other people to work for us. A successful hire means that the time and money spent training is recuperated at some point, including a little profit as a return on the investment.

Uli and Teo believe that clients will benefit more by having Clevernet handle both their web development needs and their systems infrastructure needs than they would by hiring Teo and Uli independently. Some of the advantages include:

- Increased communication between network admins and developers
- Single invoicing agent (pay one company rather than two – might also be perceived as a disadvantage)
- Backup support personnel when lead technician is unavailable
- German Work Ethic
- Lots of Professional Experience (when compared to our competition)
- Wide Range of Knowledge and Experience
- Fluency in English, German and Spanish

Theoretically, Clevernet's administration, sales, marketing, and infrastructure costs are less when compared to what it would cost for Teo and Uli to work independently (assuming they set up independent corporations rather than working as freelancers). Additionally, by working for themselves, Teo and Uli are able to keep more of what they earn and charge their clients less.

Unfortunately, the cost of keeping an office with a hosting environment negates some of the expected savings. These costs need to be minimized or their benefits maximized so that they have a minimum impact on the bottom line.

Although this union has its advantages, it does not address the need for the company to make something once and sell it a million times. At present, the best we are able to do is sell our time at the market price (currently between 40 and 60 euros per hour, sometimes more). Since we are also running the business, this means that of our 80 hours per week of billable time, we can usually only bill about 40 at most, less during this ramp up period.

Typically people in our position would seek to hire other technicians to work under our guidance and in this way, we are able to sell more hours. However, Uli and I

suspect that we are both much more capable technicians than managers (and besides, we like getting our hands dirty and don't have much desire to see that change). So we wonder if we might be better off hiring an office manager and sales person, and eventually, when the workload genuinely allows it (when the workload is so heavy that the risk of hiring someone is not a deciding factor), more technicians.

## **Research**

Interview other owners of businesses like ours.

## **Financial Goals**

The business must be profitable by the end of 2006. This includes paying ourselves and our employees modest salaries and bonuses if business permits.

## **Marketing Plan**

Research should include lists of businesses of 150+ employees (100 hours per month). Businesses with headquarters in Las Palmas, Hospitals.

- Partnerships with Graphic Design firms, outsourcing companies, and other IT consulting companies, web hosting companies
- Give talks (ponencias) on web design (search engine optimization, a radio server, web development process)
- List of products on web site: intranets (based on XOOPS or Documentor), Small Business Web Sites (based on WordPress), radio servers, computers and other peripherals
- Open Houses and hosting of monthly technology meetings (even if meeting takes place elsewhere)
- Party for clients in the south (catamaran sailboat cruise)
- Internships and conducting formal training for others (EOI, ULPGC)
- Case Studies (web site optimization)
- Sponsor Canary Islands Web Design Contest
- Participate in an open source project such as this: <http://www.gulic.org/node/297>
- Pseudocompra a nuestra competencia
- Free trials (2 months of CMS, 1 month of support, 1 month of firewall, etc.)

## **Company Web Site**

- Overview of Clevernet (who, what, when, where)
- Profiles
- Portfolios
- Articles
- Products and Services
- Contact Us
- Privacy Policy and other legalese
- Extranet Login

## **How We Price Our Products and Services**

Sell the client's perceived value rather than our perceived value. The client needs to

feel comfortable that the price they are paying is worth the outcome. Focus on hours is simply a way to make the client feel comfortable. Our goal is to find ways to make the client feel comfortable without limiting our income potential.