

*Connecting The
World Through
Language*

Business Plan 2017-2018

C.E.O: Wendy Arenas

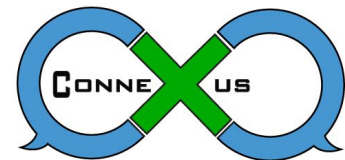
C.O.O: Daniela Barrios

C.F.O: Robert Velazquez

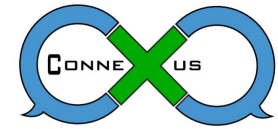
V.P. of Marketing: Estefania De Anda

ConneXus

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About ConneXus

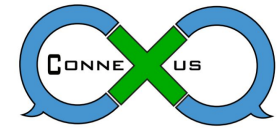


Company Overview

- Founding partners Wendy Arenas and Daniela Barrios
- Company established in September 2017
- We specialize in selling translating earpieces and language packages
- Limited Liability Company in the translation technology industry sector
- Located in Orange County California, in the city of Santa Ana

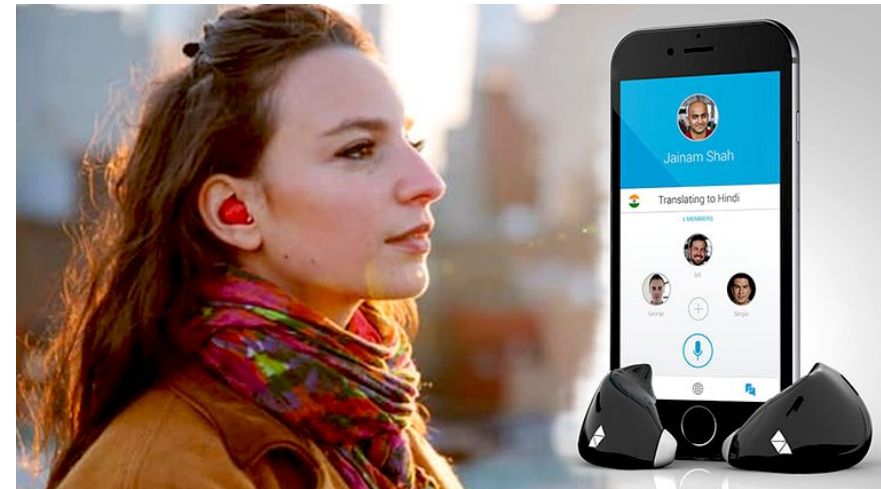


About ConneXus

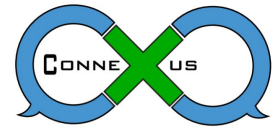


Company Description

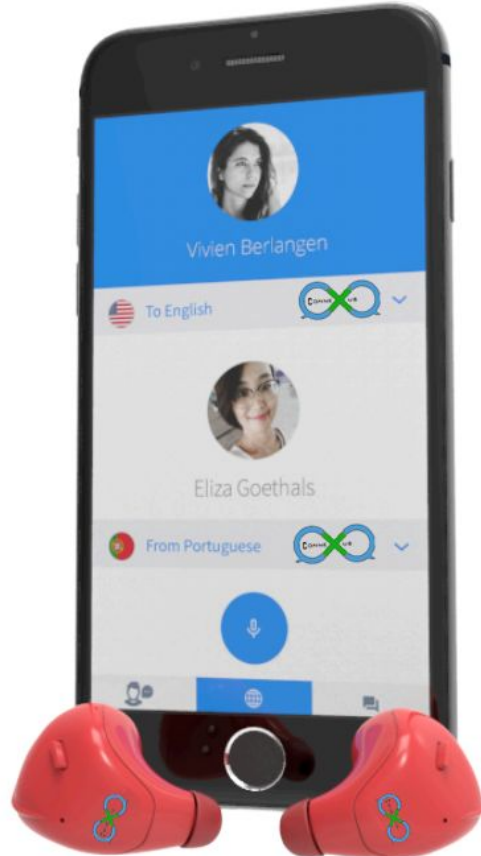
- We are a translation technology company that has developed translation devices
- We offer earpieces that work through bluetooth technologies and a smartphone app
- Through speech recognition, machine translation and wearable technology allows users to converse without language barriers.



About ConneXus



How it works . . .



Mission Statement

- Our mission is to promote communication between people who speak different languages by providing translation technology devices.

Why we chose this business

- We chose this business to reduce the language barrier between individuals from different backgrounds.

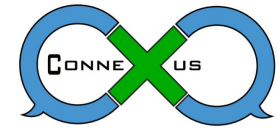


Management Functions

Planning

Short Term Goals	Strategies	Deadline
Develop a website for customers to make transactions	Digital Media will create our website	Winter 2017-18
Establish an employee's manual	Human Resources will develop our manual	Winter 2017-18
Seek Angel Investors for R&D and Marketing	Present Business Plan to investors and investor groups	Winter 2017-18
Expand Language Offerings	Market Survey Customer Base and determine new offerings	Spring 2018

About ConneXus



Management Functions

Directing: Weekly monitoring, Employee evaluations, Meetings

Controlling: Bi-weekly department tasks

Organization: Chief officers oversee specific departments

Chief Executive Officer manages the external departments

- Marketing, Sales, Digital Media, Arts & Publications

Chief Operations Officer manages the internal departments

- Administration, Accounting, Communications,
Human Resources





Strengths

- Economy is strong so people will have the money to travel
- The industry sector is growing
- New emerging technology
- Works offline
- Translates instantaneously

Opportunities

- Expand language offerings
- Contract agreements with other companies
- Target contracts with military and transportations hubs

SWOT Analysis

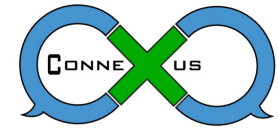
Weaknesses

- Cannot pick up heavy accents, dialects, and slang
- Limited target market
- Cost disadvantage
- Requires a smartphone

Threats

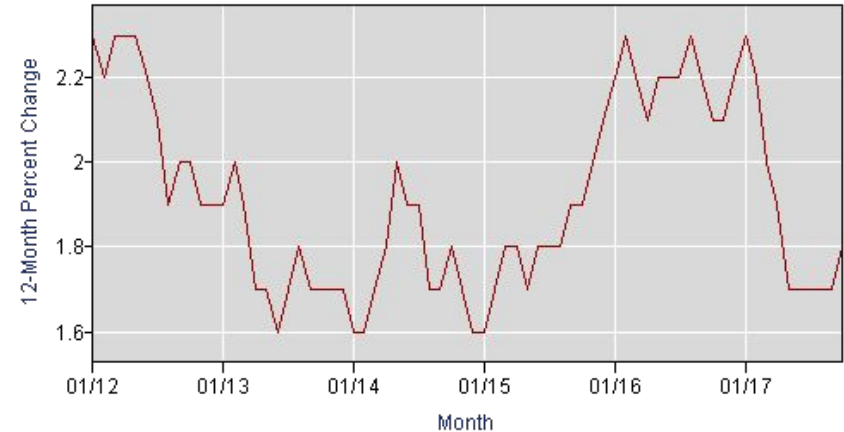
- Development of knockoffs
- Major tech-corporations developing similar products

External Environment



Current Economic Conditions

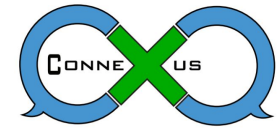
- **Economy is continuing to grow**
- **Inflation rate is very stable**
 - **Movement is less than 1 percentage point over the last six years**
- **Stock Market is strong**
- **Unemployment rate is low (4.2%)**



Consumer Price Index - Inflation

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	2.3	2.2	2.3	2.3	2.3	2.2	2.1	1.9	2.0	2.0	1.9	1.9
2013	1.9	2.0	1.9	1.7	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.7
2014	1.6	1.6	1.7	1.8	2.0	1.9	1.9	1.7	1.7	1.8	1.7	1.6
2015	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.1
2016	2.2	2.3	2.2	2.1	2.2	2.2	2.2	2.3	2.2	2.1	2.1	2.2
2017	2.3	2.2	2.0	1.9	1.7	1.7	1.7	1.7	1.7	1.8		

External Environment



Industry Analysis (Real & Virtual)

Real:

- Translation industry expected to grow by 42% by 2020
- Main competitor is Waverly Labs, only pre-orders available

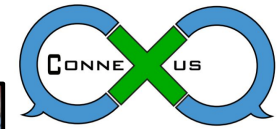
Virtual:

- No current competition within our industry sector

Competitive Analysis

- Few companies in translation technology industry
 - Google Pixel Buds, Mymanu Klik, ili, and Waverly Labs are currently developing real time translation devices
 - iTranslate is an app that allows words to translate automatically in the app
 - User must input the words

Marketing Plan



Target Market

- Middle class to Upper class
- Non gender specific
- 18 years and older
- Target Customers:
 - International Travelers
 - International Business People

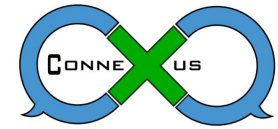


International Travelers



International Business

Marketing Plan



Product Line

Emissary Model



- Three languages
 - Spanish
 - French
 - English
- Two extra language slots
- Basic Model

Diplomat Model



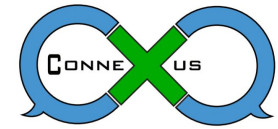
- Pre-installed Languages
- Regional Language Focus
 - South America
 - Asia
 - Europe
 - Middle East
- Three extra language slots

Ambassador Model



- Five Pre Installed Languages
- Five extra language slots
- Syncs with personal music library
- Syncs with phone - call capable

Marketing Plan



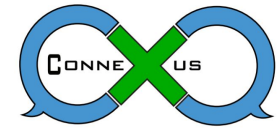
Product Line

Languages

- Spanish
- Mandarin
- English
- Japanese
- French
- Portuguese
- German
- Arabic
- Russian
- Vietnamese



Marketing Plan

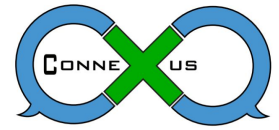


Pricing

- Bundle Strategy
- Ambassador - \$300.00
- Diplomat - \$250.00
- Emissary - \$200.00
- Single Language - \$25



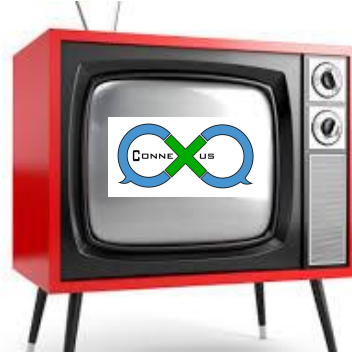
Marketing Plan



Promotion



Public Relations



TV Commercial



e-mail Campaigns



Social Media



Billboard Ads



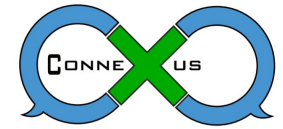
Website

Positioning the Brand

- The products fulfill a need and are essential for those traveling
- Products are practical and easy to use
- Innovative technology that syncs with a person's smartphone



Marketing Plan



Placement - Year 1 (estimated)



2.4%

Internet Sales

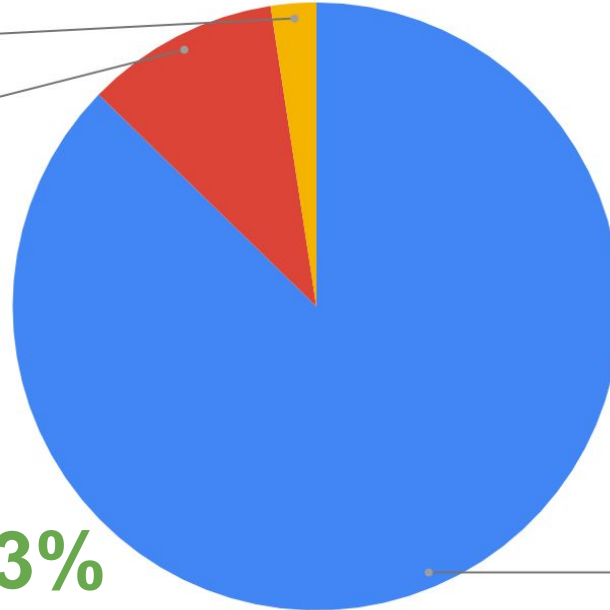
2.4%

Trade Show

10.3%



10.3%

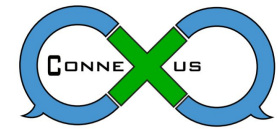


87.3%

Business contract

87.3%

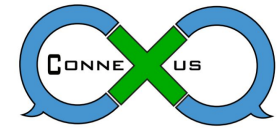
Financials/Cash Budget



- Equity Investors
- Business Contract
- Start-up
- Marketing Sales

ConneXus													
Projected Cash Budget													
Category	FISCAL YEAR BEGINNING					5/1/17							
	May	June	July	August	September	October	November	December	January	February	March	April	
Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 28,599.31	\$ 7,041.30	\$ 13,261.31	\$ 8,081.30	\$ 5,801.30	
Cash Receipts													
Cash Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,309.50	\$ 178,620.50	\$ 189,620.50	\$ 180,620.50	\$ 176,620.50	\$ 156,620.50	
Collections from credit accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash from Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
Equity Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Freight Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630.00	\$ 7,144.82	\$ 7,584.82	\$ 7,224.82	\$ 7,064.82	\$ 6,264.82	
Sales Tax Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,781.67	\$ 12,503.44	\$ 13,273.44	\$ 12,643.44	\$ 12,363.44	\$ 10,963.44	
TOTAL CASH RECEIPTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 330,721.17	\$ 198,268.76	\$ 210,478.76	\$ 200,488.76	\$ 196,048.76	\$ 173,848.76	
Total cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 330,721.17	\$ 198,268.76	\$ 210,478.76	\$ 200,488.76	\$ 196,048.76	\$ 173,848.76	
Cash Paid Out													
Cost of Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,154.75	\$ 89,310.25	\$ 94,810.25	\$ 90,310.25	\$ 88,310.25	\$ 78,310.25	
Net Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	
Outside Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 100.00	\$ 100.00	\$ 100.00	
Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	
Advertising & Trade Shows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	
Car, Delivery, Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Accounting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	
Loan Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,917.39	\$ 2,917.39	\$ 2,917.39	\$ 2,917.39	\$ 2,917.39	\$ 2,917.39	
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	
Corporate Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Payroll Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	
Freight Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,144.82	\$ 7,584.82	\$ 7,224.82	\$ 7,064.82	\$ 6,264.82	\$ 6,264.82	
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,216.13	\$ 191,227.45	\$ 197,217.45	\$ 192,407.45	\$ 190,247.45	\$ 179,447.45	
Capital Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,905.73	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Start Up Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserve and/or escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Withdrawals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL CASH PAYED OUT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,121.86	\$ 191,227.45	\$ 197,217.45	\$ 192,407.45	\$ 190,247.45	\$ 179,447.45	
ENDING CASH BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 28,599.31	\$ 7,041.30	\$ 13,261.31	\$ 8,081.30	\$ 5,801.30	\$ (5,598.70)	

Financials/3 Year Statement



- Break even / Net profit
- Profit in Sales
- Payroll incline/ 29 employees
- School-simulated

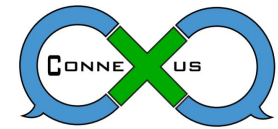
PROJECTED INCOME STATEMENT (PROFIT & LOSS STATEMENT)

ConneXus

Time Periods

	End of Year 1 (actual)	End of Year 2 (Projected)	End of Year 3 (Projected)
Sales			
Business to Business	\$ 1,047,343.50	\$ 1,581,488.69	\$ 1,739,637.55
Trade Show Sales	\$ 123,689.00	\$ 186,770.39	\$ 205,447.43
Internet Sales	\$ 29,000.00	\$ 43,790.00	\$ 48,169.00
Cost of Goods Sold	\$ 600,016.25	\$ 906,024.54	\$ 996,626.99
GROSS PROFIT	\$ 600,016.25	\$ 906,024.54	\$ 996,626.99
Operating Expenses			
Salary (Office & Overhead)	\$ 480,579.26	\$ 509,894.59	\$ 520,092.49
Payroll (taxes, etc.)	\$ 117,549.67	\$ 124,720.20	\$ 127,214.60
Outside Services	\$ 1,687.00	\$ 1,789.91	\$ 1,825.71
Supplies	\$ 700.00	\$ 742.70	\$ 757.55
Repairs & Maintenance	\$ 1,687.00	\$ 1,789.91	\$ 1,825.71
Advertising	\$ 1,400.00	\$ 1,485.40	\$ 1,515.11
Car, Delivery, Travel	\$ 350.00	\$ 371.35	\$ 378.78
Accounting Expenses	\$ 28,175.00	\$ 29,893.68	\$ 30,491.55
Legal Expenses	\$ 5,390.00	\$ 5,718.79	\$ 5,833.17
Rent	\$ 10,682.00	\$ 11,333.60	\$ 11,560.27
Telephone	\$ 875.00	\$ 928.38	\$ 946.94
Utilities	\$ 4,995.34	\$ 5,300.06	\$ 5,406.06
Insurance	\$ 3,500.00	\$ 3,713.50	\$ 3,787.77
Corporate Taxes (real estate, etc)	\$ -	\$ 25,001.04	\$ 33,193.68
Interest	\$ 5,233.00	\$ 8,210.00	\$ 6,134.00
Depreciation	\$ 6,145.00	\$ 6,145.00	\$ 6,145.00
TOTAL OPERATING EXPENSES	\$ 668,948.27	\$ 737,038.10	\$ 757,108.38
NET PROFIT/LOSS BEFORE TAXES	\$ (68,932.02)	\$ 168,986.44	\$ 239,518.61
Income Taxes			
NET PROFIT/LOSS AFTER TAX	\$ (68,932.02)	\$ 168,986.44	\$ 239,518.61
Owner draw or dividends			
RETAINED EARNINGS	\$ (68,932.02)	\$ 168,986.44	\$ 239,518.61

Financials/Income Statement



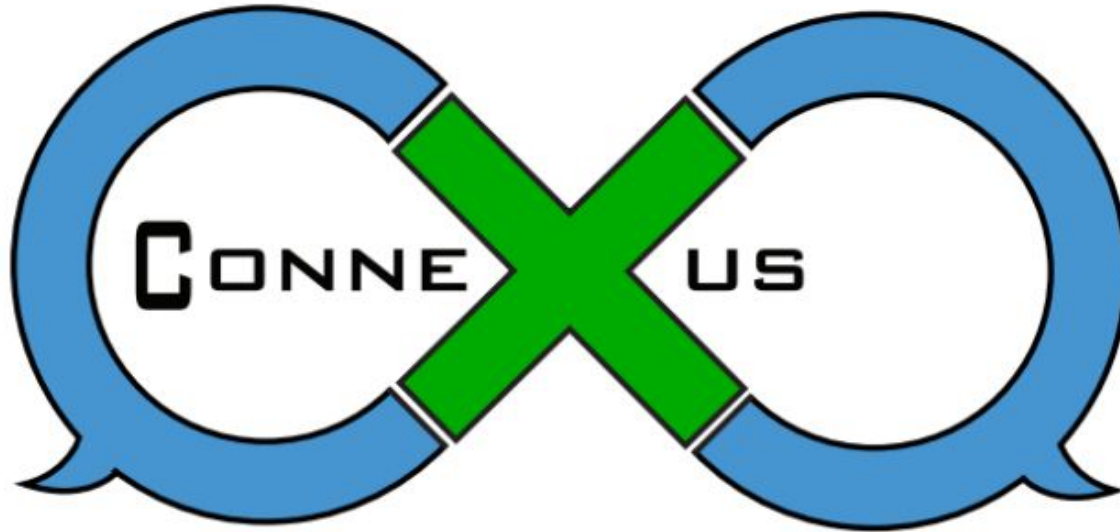
- Lost in money
- January
- Establishment

PROJECTED FIRST YEAR INCOME STATEMENT

Connexus

Time Periods

	October	November	December	January	February	March	April
Sales							
Business to Business	\$ 149,620.50	\$ 149,620.50	\$ 149,620.50	\$ 149,620.50	\$ 149,620.50	\$ 149,620.50	\$ 149,620.50
Trade Show Sales	\$ -	\$ 18,689.00	\$ 25,000.00	\$ 35,000.00	\$ 25,000.00	\$ 20,000.00	\$ -
Internet Sales	\$ -	\$ -	\$ 4,000.00	\$ 5,000.00	\$ 6,000.00	\$ 7,000.00	\$ 7,000.00
Cost of Goods Sold	\$ 74,810.25	\$ 84,154.75	\$ 89,310.25	\$ 94,810.25	\$ 90,310.25	\$ 88,310.25	\$ 78,310.25
GROSS PROFIT	\$ 74,810.25	\$ 84,154.75	\$ 89,310.25	\$ 94,810.25	\$ 90,310.25	\$ 88,310.25	\$ 78,310.25
Operating Expenses							
Salary (Office & Overhead)	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18	\$ 68,654.18
Payroll (taxes, etc.)	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81	\$ 16,792.81
Outside Services	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00
Supplies	\$ -	\$ -	\$ -	\$ 50.00	\$ 100.00	\$ 100.00	\$ 100.00
Repairs & Maintenance	\$ -	\$ -	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00	\$ 241.00
Advertising	\$ -	\$ 100.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Legal Expenses	\$ -	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Rent	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00	\$ 4,025.00
Telephone	\$ 770.00	\$ 770.00	\$ 770.00	\$ 770.00	\$ 770.00	\$ 770.00	\$ 770.00
Utilities	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00	\$ 1,526.00
Insurance	\$ -	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Interest	\$ 781.25	\$ 770.12	\$ 758.94	\$ 747.70	\$ 736.40	\$ 725.04	\$ 713.62
Depreciation	\$ -	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Other Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ 92,790.24	\$ 93,554.11	\$ 93,883.93	\$ 93,922.69	\$ 93,961.39	\$ 93,950.03	\$ 93,938.61
NET PROFIT/LOSS BEFORE TAXES	\$ (17,979.99)	\$ (9,399.36)	\$ (4,573.68)	\$ 887.56	\$ (3,651.14)	\$ (5,639.78)	\$ (15,628.36)
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET PROFIT/LOSS AFTER TAX	\$ (17,979.99)	\$ (9,399.36)	\$ (4,573.68)	\$ 887.56	\$ (3,651.14)	\$ (5,639.78)	\$ (15,628.36)
Owner draw or dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAINED EARNINGS	\$ (17,979.99)	\$ (9,399.36)	\$ (4,573.68)	\$ 887.56	\$ (3,651.14)	\$ (5,639.78)	\$ (15,628.36)



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