



## **Business Plan**

### **Product description**

Mzanzi-FM is an online application which delivers the best music and radio streaming of both local and international content

### **Our Primary Factors**

- ✓ Streaming allows users to go online and listen to their favorite music and at the same time giving listeners the choice to listen to local radio stations. This can be done by accessing the internet through their PC or through their smartphones.
- ✓ Mzanzi-fm will provides integrated benefits to the consumers such as a mood playlist

### **Target market**

- ✓ Our Primary target market is young people especially students and everyone who loves music and radio and has connectivity access to the internet
- ✓ Our secondary target market would be those music listeners who are looking for niche content that is not easily accessible through traditional media channels eg Regional and community radio stations; listeners of early or outdated recordings

### **Source of product e.g. Manufacturing/import/service**

### **How long have we been in operation?**

- ✓ Since the beginning of the year

### **Where are we based?**

- ✓ We are a part of TechSprung mobile and gaming incubator in Braamfontein

### **Current turnover and Profitability**

- ✓ Not yet available

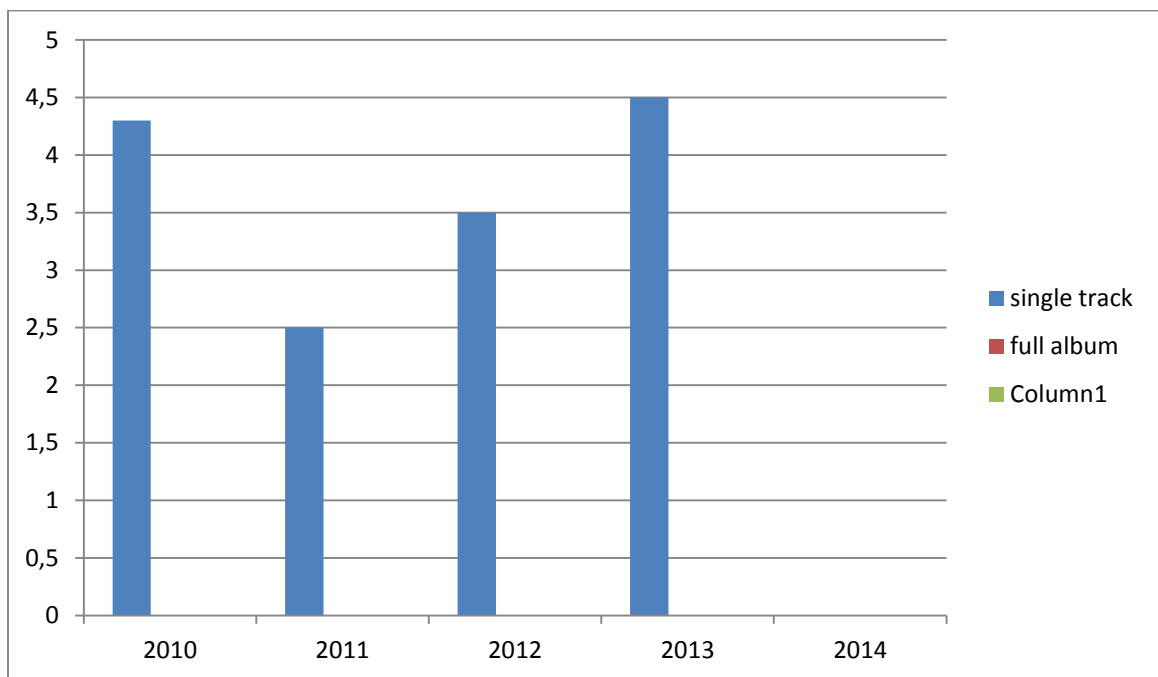
### **What problem are we solving?**

- ✓ Reducing the instances of copy rights violation and illegal downloads
- ✓ Saving time for our user through intelligent tools like a mood playlist for them
- ✓ Limited access to local radio stations, Mzanzi-FM will allow access to any community radio stations anytime anywhere

# Market

Size of the potential market in South Africa in Rands/units

- ✓ CD sales of music sold in South Africa shrank from 15.9 million units in 2012 to 12.2 million in 2013. In 2009, CD sales in South Africa stood at 17.1 million.
- ✓ Sales decreased by 4% from 2012 to 2013, while in South Africa overall music sales are down by almost 12%.
- ✓ The graph below illustrates the dramatic decrease in music sales trade revenues in South Africa.



Who currently are the dominant players in the market and their % market share?

Player	Percentage	Price per Month
Simfy	Not available	R 60.00
Deezer	Not available	R 60.00
Nokia Music	Not available	R 25.00

### Other Countries

Spotify		\$4.99/month for web,\$9.99/month for web and 1 mobile
Grooveshark		\$6/month
Rdio		\$4.99/month for web,\$9.99/month for web and one mobile device
Rhapsody		\$9.99/month for web and one mobile device, \$14.99/month for web and three mobile devices

## Shareholding

Who are our current shareholders and how much does each one own?

- ✓ Clifford Ngobeni =33.3%
- ✓ Joseph Koma =33.3%
- ✓ Candy Nxumalo =33.3%

## Team

Current team – Name/position/responsibility

Name	Position	Responsibility
Clifford Ngobeni	Operational System Analyst	Operations
Joseph Koma	Programmer	Technically lead (development)
Candy Nxumalo	Project Planner/ Business Analyst	Business developer

Future team required (if any) – Name/Position/Responsibility.

Name	Position	Responsibility
	Programmers	Development purposes
	Marketer	Market our product

	Accountant	Deals with Finances
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## Customers

**Who currently are our largest customers?**

- ✓ We are still on development phase

**Who are new potential customers we can acquire?**

**Do we have any signed off take agreements with our customers (if so give detail)**

- ✓ Not yet

**What are our current credit terms to customers?**

- ✓ We don't have credit plans

**How do we market to them?**

- ✓ We going to do campus promotion at the university
- ✓ Promotion on the local community radio stations
- ✓ Also promote on social networks

## Intellectual Property

**Do we have any registered IP e.g. patents**

Not yet

**What makes us unique and different to our customers?**

- ✓ Our unique proposition is to ensure that customer get access to music, audio and talk shows which they won't originally get from online music catalogue

## Suppliers

**Who are currently are our largest suppliers**

- ✓ Major record labels such as EMI, **SONY**
- ✓ Independent record labels

**Who else do we want to get supply from?**

- ✓ Hosting
- ✓ Internet service provider
- ✓ Radio station content

**Are these supplier agreement in place (if so give details)**

- ✓ Not yet

**What are credit terms from suppliers?**

- ✓ We don't have one

**What is lead time to get into stock**

Won't take long because its digital

## Marketing

**Who are our targeted customers?**

- ✓ People who enjoys listening to music and radio on their smartphone and tablet through internet connection
- ✓ Below is a table response from email survey

Question	Answer
How likely is it that you would recommend Mzansi-fm to a friend or colleague?	64% of people who did the survey said they would recommend it to people they know
How familiar are you with Music Streaming?	84% of people who did the survey said they know a bit or a lot about music streaming
How important is price to you when choosing this type of this type of service?	96% of people do say price of this product is important
How useful would Mzansi be to you?	84% said it will be useful to them
What do you like most about Our product and which recommendations can you suggest?	Many people have different views but some are the fact that you can listen to radio
What would make you more likely to use our new product?	Most people spoke of having a trial version and making the subscription cheap
If you are not likely to use Mzansi, why not?	71% of people said their reason would be that they might be satisfied with our competitor's product rather
If Mzansi were available today, how likely would you be to use it instead of competing services currently available from our competitors?	87% of people are likely to use the app

**What is the method to reach them?**

- ✓ We going to do campus promotion at the university
- ✓ Promotion on the local community radio stations
- ✓ Also promote on social networks

**What is the cost of acquisition?**

- ✓ Running market campaigns

## **Logistics / Distribution**

**Are there any logistics/ distribution challenges**

- ✓ Streaming content from record labels to Mzansi-FM data center
- ✓ Protecting the streamed content

**What are the solutions?**

- ✓ Unicast stream from record labels and we multi cast to the users
- ✓ Our application will be difficult for users to download

## **Legal**

**Are we governed by any statutes?**

- ✓ Yes, we have to pay royalties to the music rights owners

**Are there health safety issues to consider?**

- ✓ Not yet

**Is there a current shareholders agreement in place?**

- ✓ Yes we do

**Any other legal agreements in place e.g. Leases, Bank Overdrafts**

- ✓ We don't have it

## **Capex**

How much do we currently own in Fixed Assets in Rands

What additional Capex do you require in Rands and breakdown thereof (give detail)

## **Balance Sheet**

Please supply latest balance sheet if available

The balance sheet should be integrated into the income statement.

## **CashFlow**

**Please find attachment of our cash flow**

**My Ask**

**What funding do you require?**

- ✓ To cover office cost and salaries

**How will this be utilized.**