



2023

BUSINESS PLAN

OF

Never Lose Sight

Spectrack

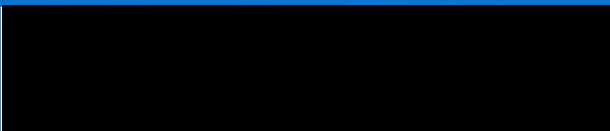


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1. Business Overview

1.1. Business Identity: Name, Logo & Slogan

The business name, “SpecTrack”, represents our core purpose of assisting consumers in tracking their eyewear. The name effectively communicates the product and its associated benefits. It is memorable, descriptive, and brandable, providing a tech-savvy feel and aligning with the modern and innovative nature of the business.

SpecTrack's logo (See Figure 1) embodies three key components: the business name, the eyewear graphic, and the brand slogan. The modern font of the business name is enhanced by the upper half of a pair of glasses. The integration of the glasses' centre forms the top of the "T" in "SpecTrack". A small orange dot in the top right corner represents our business's tracking product(s). The logo's colour palette, featuring complementary shades of blue and orange, not only provides visual harmony but also represents trust, reliability, and technology. These carefully curated elements work together to effectively showcase the business's primary function.

Complementing the logo, our slogan, "Never Lose Sight™," succinctly captures the essence of our product. It is concise, memorable, and effectively communicates the main benefit of our product.

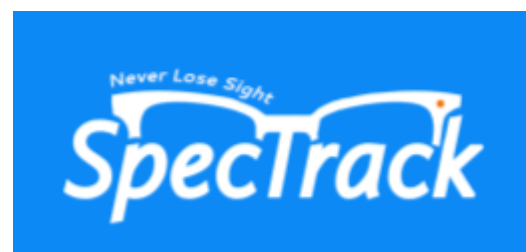


Figure 1. SpecTrack Logo

1.2. Primary Function

SpecTrack's primary function is to provide a reliable and innovative solution to help individuals keep track of their eyewear. The high-quality Bluetooth trackers are at the core of our business, available in various sizes, shapes, and colours to cater to all types of glasses, being linked to the SpecTrack application and/or Apple FindMy for swift and easy locating.

1.3. Mission Statement

Our mission at SpecTrack, driven by passion and excellence, is to improve the lives of our customers by providing high-quality Bluetooth trackers that help them transform the way they track and manage their eyewear. We aspire to innovate continually, exceed expectations, and lead the market with our cutting-edge technology. Never Lose Sight™ with SpecTrack.

1.4. Vision Statement

Our vision at SpecTrack is to become the leading brand in the personal tracking market, expanding our reach across Australia to aid glasses wearers nationwide.

1.5. Objectives

In order to meet our mission and vision, SpecTrack sets the following SMART¹ objectives:

Objective	Rationale
1. To achieve a 20% profit margin by the end of 2024	A 20% profit margin will allow SpecTrack to cover our costs and generate a satisfactory return on investment.
2. To sell and distribute SpecTrack products in Australia's leading glasses retailers and optometrists by the end of 2025.	By selling our product in leading retailers that are relevant to our target market, SpecTrack will be able to increase market reach and distribution range, ultimately encouraging higher sales rates.
3. To grow nation-wide market share of the personal tracking market by a minimum of 10% by the end of 2026.	SpecTrack aims to expand our brand nation-wide within the first three years of establishment. This will ultimately allow us to generate more sales, profits, and revenue.

Table 1. Business Objectives

1.6. Location

SpecTrack will predominantly be an online-based business, operating and selling products through our modern, accessible, and interactive website: www.spectrack.com.au. This will be advantageous because it will:

- Allow consumers nation-wide access 24/7, 7 days a week;
- Generate cost savings through low operation costs (e.g. rent); and
- Increase scalability, allowing for growth accommodations.

As the brand becomes further established, our business will approach Australia's leading optometrists (e.g. Specsavers, with 324 practices in Australia) and glasses retailers (e.g. Sunglass Hut, with 203 stores in Australia) to inquire about selling our product in their stores to help achieve a greater market penetration. This will be advantageous because it will:

- Increase visibility and accessibility for the target market;
- Allow for potential partnerships to increase credibility; and
- Establish a competitive advantage.

1.7. Legal Structure

SpecTrack's legal structure is a 'proprietary limited company' (Pty Ltd). In this structure, there must be at least one director and one shareholder. These roles can be occupied by the same person, in this case the owner, and will enable them complete control over business assets and decisions, flexibility for future adjustments, and risk protection.

¹ Following the SMART Framework: Specific, Measurable, Achievable, Relevant, and Timed

1.8. Legal Requirements & Licencing

As an online Australian business, it is imperative to address various legal requirements and licensing obligations, which include mandatory registrations, compliance with applicable laws, and fulfilling additional business responsibilities.

Necessary Registrations²:

- Australian Business Number (ABN)
- Tax File Number (TFN)
- Business Name Registration (“SpecTrack Pty Ltd”)
- Company Registration
- Goods & Services Tax (GST)

Licences, Permits & Legalities³:

- Australian Consumer Law Compliance
- Australian Privacy Principles Compliance
- Compliance with Consumer Product Safety and Information Standards
- Director Identification Number (DIN) if applicable
- Superannuation Guarantee for Employers
- Compliance with Single Use Plastic Prohibition

Additional Requirements:

- Business Name Registration with ASIC
- ACN & ABN Registration with ASIC and Australian Business Register
- Domain Name Registration (e.g., www.spectrack.com.au)
 - \$77 per year via Melbourne IT
- Intellectual Property Protection (Patent and Trademark)
- Product Safety and Compliance
- Privacy and Data Protection Compliance
- GST Registration (if turnover exceeds \$75,000)

² As per the [Australian Government’s Business Registration Service](#)

³ As per the [Australian Government’s Australian Business Licence and Information Service](#)

2. Human Resources Plan

2.1. Staff Positions & Qualifications Required

In the establishment period, the majority of staff required will be outsourced. Staff hired on a one-off basis include:

1. **Application Developer:** Employed to develop the tracking application before product launch. This will be a temporary freelance employee paid on an hourly basis and will depend on the average amount of time taken to develop a semi-complex application.
2. **Website Developer:** Employed to develop the website where products are sold. This will be a temporary freelance employee paid on an hourly basis and will depend on the average amount of time taken to develop a simple product website.
3. **Software & Hardware Engineer:** Employed to design the product, being sent to the manufacturer for production. This will be a temporary freelance employee paid on an hourly basis and will depend on the average amount of time taken to develop a product design.

Staff outsourced on a monthly basis include:

1. **Manufacturer:** To manufacture and ship SpecTrack products. Stock will be distributed to customers through direct shipping, thus costs will depend on the volume of sales and will be paid monthly.

All other key roles such as administration, marketing, and sales will be carried out by the owner in the establishment period.

2.2. Salaries of Staff

Staff Position	Basis	Salary
Freelance Application Developer	One-Off, Hourly Rate	<p>On average, it takes approximately 500 hours to develop a semi-complex application.</p> <p>On average, a freelance application developer costs \$40 per hour. This will amount to \$17,500 ($\\$40/\text{hr} \times 500 \text{ hrs}$).</p> <p>Total: \$17,500</p>
Freelance Website Developer	One-Off Hourly Rate	<p>On average, it takes approximately 100 hours to develop a simple product website.</p> <p>On average, a freelance website developer costs \$30 per hour. This will amount to \$3,000 ($\\$30/\text{hr} \times 100 \text{ hrs}$).</p> <p>Total: \$3,000</p>
Freelance Software & Hardware Engineer	One-Off, Hourly Rate	<p>On average, it takes approximately 10 hours to complete a product design - software and hardware - of a semi-complex technological product.</p>

		<p>On average, a freelance software and hardware engineer costs \$45 per hour. This will amount to \$1,200 ($\\$45/\text{hr} \times 10 \text{ hrs} \times 3 \text{ products}$).</p> <p>Total: \$1,350</p>
Manufacturer	Per Order (With Estimated Monthly Expenses for Reference)	<p>SpecTrack will adopt a direct shipping approach, sending products from our reputable manufacturer to customers upon order placement, with production costs tailored to each order.</p> <p>To display estimated expenses, approximate monthly manufacturing costs are below.</p> <p>Based on sales predictions, it is estimated that SpecTrack will receive an average of 102 orders per month (total monthly sales predictions per month \div 12 months) at an average cost of \$59.99 (total of product prices \div 3). Products cost an average of \$24 per unit to produce (total COGS \div 3).</p> <p>Therefore, on average, it is estimated that manufacturing will cost \$2,448 ($\\$24 \times 102 \text{ units}$) per month.</p> <p>Additionally, an initial manufacturing contract must be purchased, at a cost of \$1,000.</p> <p>Total: \$3,448</p>
Owner	Salary, Per Year	<p>The owner will be paid 20% of net profit before tax. Based on estimated cash flow, their salary per year will amount to \$7,795. ($\\$38,977 \text{ (net profit for year 1)} \times 20\%$).</p> <p>This salary will be paid exclusive of superannuation (10.5%), with \$818.48 in super per year ($\\$7,795 \text{ (gross annual salary)} \times 10.5\%$).</p> <p>Total: \$8,613.48</p>

Table 2. Staff Salaries

3. Marketing Plan

3.1. Marketing Objectives

The following SMART marketing objectives have been identified to aid in SpecTrack’s success:

- To increase brand awareness by 10% by the end of 2023.
- To have a minimum 2,500 followers across all social media platforms by the end of 2024.
- To increase nation-wide market share by a minimum of 10% by the end of 2026.

3.2. Market Research

Primary and secondary market research was undertaken for the benefit of the business plan. This aided in determining the target market and competition.

An online survey was conducted through Google Forms to collect quantitative and qualitative data on consumer preferences, habits, and opinions regarding eyewear and SpecTrack’s products. There were 7 given questions on a range of relevant topics. The final sample size was 22 and the sample frame was Australians aged 16-85 who own and wear, or know someone who owns and wears, any type of eyewear (See [Appendix B](#)).

Data found suggests that a large portion of glasses wearers would be interested in and benefited by SpecTrack’s products. However, data also shows that there is a portion of consumers that would not purchase this product, whether due to not owning eyewear or not having the issue of losing their eyewear. Participant information collected suggests that the target market will be broad in regards to age and gender. Marketing information collected suggests that participants are willing to pay more for higher quality products and are most influenced by word of mouth and social media marketing.

3.3. Target Market & Segmentation

Based on primary and secondary market research conducted, SpecTrack will target a broad range of consumers:

Segment	Target Market
Demographics	People of all ages and genders who wear various types of eyewear.
Geographics	Initially, individuals with internet access for online purchase. As we continue to grow, our geographic target market will expand to residents of Canberra, and ultimately Australia, who can purchase products from local retailers.
Psychographics	People who value convenience, organisation, and efficiency in their daily lives. They may lead busy lives, have multiple pairs of glasses, and are often on-the-go.

Table 4. Target Market & Segmentation

3.4. Competition

Secondary market research was conducted to determine SpecTrack’s competitors in regards to function, features, and prices. An in-depth analysis (See [Appendix C](#)) reveals that SpecTrack’s key competitor is Orbit, an Australian-born business that produces a similar product. “Orbit x Glasses” is currently available to purchase online and only offers one product with no variations.

SpecTrack will succeed through differentiation and innovation, offering a wider variety of shapes, sizes, and colours to cater to all types of eyewear. Additionally, we will expand our distribution range and increase marketing efforts to effectively penetrate the personal tracking market.

3.5. SWOT Analysis



Figure 2. SWOT Analysis

3.6. Marketing Mix

3.6.1. Product

In our ever-evolving technological landscape, consumers seek innovative products that seamlessly integrate into their daily lives. At SpecTrack, we deliver dependable and user-friendly Bluetooth trackers that precisely meet these expectations. According to primary research conducted, over 75% of respondents are interested in purchasing our products. Data collected revealed our [target market](#) and what relevant features they look for:

- Ultra small, lightweight, and waterproof design;
- Various shapes, sizes, and colours;
- Simple and fast tracking through:

- Free application/Apple FindMy
- Sound and vibration;
- Rechargeable battery with 1 month battery life; and
- Pricing between \$40-\$79.

(See [Appendix C](#) for detailed product descriptions, implemented based on data found.)

3.6.2. Pricing Strategies

SpecTrack’s pricing strategy, as a result of careful analysis of a variety of factors (see factors 1-4 below), will ensure financial success through a combination approach. The synthesis of competitive, value-based, psychological, and "Cost-Plus" pricing will result in a fair and competitive approach that resonates with our customers and achieves desired profit margins.

1. Market Research

Based on market research, key pricing data has revealed that for a product encompassing the aforementioned features:

- 31.8% of respondents are willing to pay \$70-\$79; whilst
- 22.7% of respondents are willing to pay \$40-\$49; however
- 0% of respondents are willing to pay \$90+.

2. COGS

[See Appendix D.](#)

3. Competition

[See Appendix B.](#)

4. Operation Costs

[See 4.5.](#)

Data and research efforts indicate that the optimal pricing range for the three respective products falls between \$49 and \$70, taking into account the specific COGS associated with each product. This ensures a balance between covering costs, generating earnings, and remaining competitive in the market, whilst additionally taking into account the will, perceived product value, and demand of the target market. As a result, our range of three products and their variations are attractively priced at an average of \$59.99.

3.6.3. Promotion Plans

1. Social Media Marketing

Primary market research indicates that 54.4% of respondents are strongly influenced by social media marketing. To leverage this influence, SpecTrack will utilise popular platforms such as Instagram and Facebook to promote the brand and drive product sales. Through regular and engaging posts, featuring current products, teasers for upcoming releases, and exclusive promotional offers, SpecTrack aims to build strong customer relationships while increasing brand awareness.

2. SEO Marketing

Primary market research indicates that 50% of respondents are strongly influenced by SEO marketing. This strategy is crucial, as it will ensure that SpecTrack’s website and primary location is highly visible by improving search engine rankings and targeting relevant keywords. This will ultimately enhance traffic and maximise conversion opportunities with our target market.

3. WOM Marketing

Primary market research indicates that 77.3% of respondents are strongly influenced by WOM marketing. SpecTrack will prioritise WOM marketing by delivering exceptional customer experiences, exceeding expectations, and providing quality customer service. We will also incentivise positive WOM through deals for returning customers, fostering strong customer relationships. As the most influential form of marketing for our target market, WOM marketing, as per research, will significantly contribute to heightened brand awareness and increased product sales.

3.6.4. Place

1. Initial Distribution: Direct Shipping

During the initial stages of our business, SpecTrack will exclusively offer its products to customers through our online platform at www.spectrack.com.au. To streamline operations, we will adopt a direct shipping approach, wherein our trusted manufacturer will produce and ship the products directly to customers upon ordering. This circumvents the need for a physical store or warehouse, ensuring efficient and cost-effective product delivery.

2. Additional Distribution Method Upon Expansion: Indirect Shipping

As SpecTrack grows, it will pursue product placement in relevant retailers, necessitating an expansion of distribution channels. SpecTrack will engage in indirect shipping, where products will be produced by our manufacturer and shipped to select local retailers, allowing customers to purchase products in-store with ease.

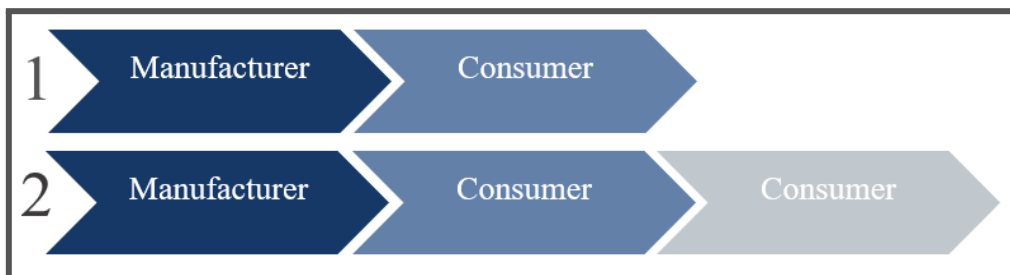


Figure 3. Visual of Methods of Distribution

4. Financial Plan

4.1. Financial Objectives

The following SMART financial objectives have been identified to aid in SpecTrack’s success:

- To increase sales volumes by 5% per month by the end of the first year (Jul-23 - Jun-24).
- To achieve a 20% profit margin by the end of 2024.
- To allocate an additional 10% of financial resources towards marketing initiatives by the end of 2024, driven by a growth in revenue.

4.2. Establishment Costs & Financing Arrangements

SpecTrack’s initial funding will be derived from two sources: personal savings totaling \$20,000 and a business bank loan amounting to \$15,000. The loan will be repaid over a period of five years, carrying an interest rate of 12.95%.

An advantage of SpecTrack's online business model is that it eliminates the need for costly physical store requirements such as rent, furniture, and electricity. This allows us to allocate our resources more efficiently and focus on building a strong online presence in the establishment period.

4.3. Sales Predictions

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales	30	50	60	75	100	140	110	90	90	120	160	200

Table 8. Prediction of Sales per Month for Each Month for Year One

During the initial year, SpecTrack anticipates modest sales and profits due to limited staff and low brand recognition. However, as our operations expand, we will increase our workforce and enhance our visibility, thereby driving sales growth. While sales volumes may begin low in the establishment period, they are expected to progressively rise as SpecTrack expands its reach. Notably, significant sales upswings are anticipated during relevant holiday and event periods:

- November: Black Friday & Pre-Christmas Sales;
- December: Christmas Sales;
- January: Post-Christmas Sales; and
- June: End of Financial Year Sales.

SpecTrack will see its highest sales in December 2023, being the highest sales month of the year for retailers, and in June 2024, as SpecTrack will have expanded its customer base and brand awareness.

An example of the average revenue for month one can be found below:

Revenue Period	Average Revenue Made (AUD)
Daily Revenue	Average Sales per Day: 1 Average Sales Price per Unit: \$59.99

	Estimated EBIT⁴ per Day: \$59.99
Weekly Revenue	7 Days per Week: \$59.99 × 7 Estimated EBIT per Week: \$419.93
Month One Revenue	Average 30 Days per Month: \$59.99 × 30 Estimated EBIT per Month: \$1,799.70

Table 9. Average Revenue for Month One

4.4. Projected Statement of Cash Flows

According to SpecTrack's projected statement of cash flows, the business is forecasted to achieve a closing cash balance of \$32,381 at the end of its first year, reflecting a positive cash flow and gain. This surplus will be strategically reinvested in the business, primarily directed towards crucial areas such as expanding our staffing, product invention and innovation, and enhanced marketing strategies.

An advantage of SpecTrack's online presence is our ability to bypass the cash outflows typically associated with physical stores, such as rent, phone and Wi-Fi expenses, and electricity costs. This streamlined approach allows us to optimise our financial resources and allocate them more effectively towards areas that drive growth.

SpecTracks projected statement of cash flows can be found in [Appendix F](#).

4.5. Break-Even Analysis

A break-even analysis was conducted to determine the volume of sales necessary to cover the total costs of production. The break-even point (monthly) is calculated with the formula:

$$Quantity = \frac{Total\ Fixed\ Costs\ (\$ \text{ per Annum})}{Unit\ Price - Variable\ Costs\ per\ Unit} = BreakEven\ Point\ (Units)$$

SpecTrack's fixed costs totals are \$72,595.96 per annum based on appropriate figures found in the projected statement of cash flows (See [Appendix F](#)). SpecTrack's variable costs total is \$24 based on the average COGS (See [Appendix D](#)). Our contribution margin based on these figures is \$35.99.

Based on the analysis, SpecTrack's breakeven point is determined to be approximately 2,017 product units. Any sales volume below this threshold will result in a loss, while surpassing this point will yield a profit:

$$Quantity = \frac{\$72,595.96}{\$59.99 - \$24.00} = 2017\ Units$$

The complete analysis can be found in Figure 4 and [Appendix G](#).

⁴ Earnings before interest and taxes (EBIT)

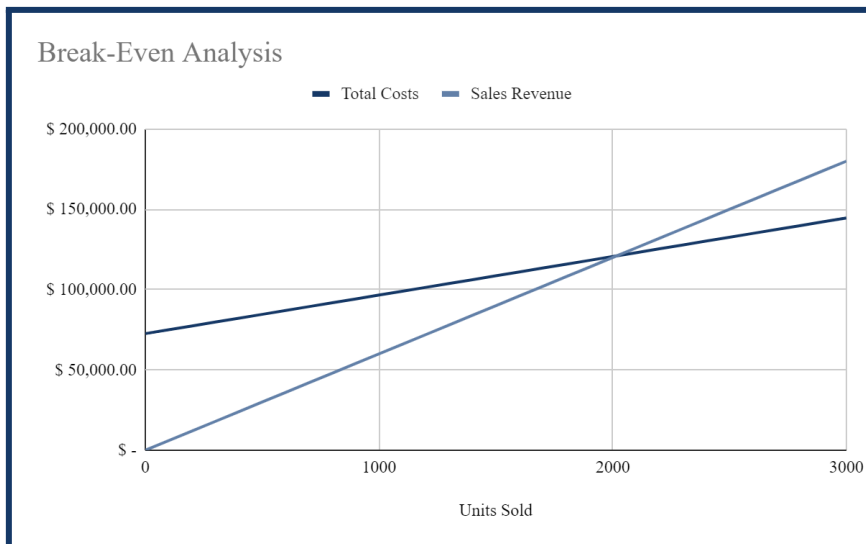


Figure 4. Break-Even Analysis Chart

5. Future Prospects

5.1. Business Viability

Market research data reveals a strong consumer viability for SpecTrack, while financial forecasts project a positive outlook, albeit with modest initial sales and profits during the establishment phase. This is confirmed by the projected statement of cash flows (See [Appendix F](#)) and break-even analysis (See [4.5.](#)), which respectively highlight a net annual profit of \$32,381 (pre-tax) for the first year and a break-even point of 2,017 product units. To fuel our growth, SpecTrack will employ enhanced marketing strategies and explore diversified distribution channels.

SpecTrack's position within the personal tracking industry holds promising prospects. We are fully committed to ongoing review and evaluation of internal and external factors, positive and negative, to ensure informed decision-making to drive the business towards enduring success.

5.2. Future Prospects

In the future, SpecTrack aims to:

- Fulfil its Business, Marketing, and Financial Objectives;
- Employ additional key staff (e.g. marketing manager and sales manager) to ensure efficient operations;
- Expand nation-wide to aid glasses wearers across Australia; and
- Develop new products to cater to a greater target market.

This will pave the way for a prosperous and customer-centric journey ahead, ensuring success and satisfaction for our valued customers.

6. Appendices

6.1. Appendix A: Primary Market Research - Online Survey Results

Question	N (N=22)	Category
1. Age	7 2 5 1	<18 18-25; 26-35; 36-45 46-55 56-65; 66-75; 76-85; >85
2. Gender	16 6	Female Male
3. Do you, or does someone you know, wear glasses?	18 4 0	Yes, both. No, 2 but not 1. No.
4. What types of glasses do you personally own and wear? (Select all that apply).	15 3 1	Prescription Glasses; Sunglasses Sports Glasses Blue Light Glasses
5. If applicable, how many times per week do you lose your glasses?	7 4 5 0 2 0	0 1-2; 3-4 5-6 7-8 9-10 10+
6. Would you use a small Bluetooth tracker that attaches to your glasses to help you find them when they are lost?	17 5	Yes No
7. How much would you be willing to pay for a tracker with the following features (listed in form):	4 5 3 2 7 1 0	\$30-\$39 \$40-\$49 \$50-\$59 \$60-\$69 \$70-\$79 \$80-\$89 \$90-\$99; \$100+
8. Would you be more likely to purchase this product in-store or online?	7 3 12	In-Store Online Equally Likely
9. What type of marketing are you most likely to be influenced by for this product? (Select all that apply)	11 12 5 6 17	SEO Marketing Social Media Marketing Print Marketing Television & Radio Marketing Word of Mouth Marketing

Table 3. Primary Market Research Results

6.2. Appendix B: Competitor Analysis - Function & Features Comparison

Analysis	Business	
	<u>Orbit (x Glasses)</u>	<u>FoxSmart</u>
Function/Mission	Australian-born business that provides a variety of personal locating products - including wallet trackers, bike trackers, and glasses trackers - operating and selling products through their personal website. Their glasses tracker, "Orbit x	Swedish-born business that provides personal glasses trackers, operating and selling their product through their personal website. Their glasses tracker, "Find by Foxsmart", retails for \$49.95 AUD.

	Glasses”, retails for \$59.99 AUD.	
Location	Online, with headquarters in Australia and an office in the USA.	Online, with headquarters in Sweden.
Strengths	<ul style="list-style-type: none"> • Small, thin, invisible design. • Long range speaker. 	<ul style="list-style-type: none"> • Design can fit various glasses shapes through its versatility. • Long range speaker and vibrator.
Weaknesses	<ul style="list-style-type: none"> • Does not provide various shapes/sizes - fits “most glasses”. • Is not waterproof. • Low rated consumer reviews. 	<ul style="list-style-type: none"> • Bulky design. • Does not provide various shapes/sizes. • Is not waterproof. • Does not ship to Australia.

Table 4. Competitor Analysis: Function Comparison

Features			
Australian-Made	✓	✓	×
Size & Shape Options	✓	×	×
Colour Options	✓	×	✓
Waterproof	✓	×	×
Business-Made App	✓	✓	✓
Compatible with Apple FindMy	✓	✓	×
Sound/Vibration	✓	✓	✓
Rechargeable Battery	✓	✓	✓
Price Excluding Shipping (\$AUD)	\$49.99-\$69.99	\$59.99	\$49.95
Distribution	Online, Retailers	Online	Online

Table 5. Competitor Analysis: Feature Comparison

6.3. Appendix C: Product Price & Features

Model	Image	Price	Specs
SpecTrack XS		\$49.99	0.4mm x 0.4mm Ultra small, lightweight & waterproof design Sound & vibration through built-in speaker Tracking through free app and/or Apple FindMy Rechargeable battery with included USB cable Battery life up to 1 month 2 year warranty 3 colour options
SpeckTrack		\$59.99	2mm x 0.5 mm “ “
SpecTrack Adjustable		\$69.99	0.2 mm x 0.2mm Tracker Adjustable fabric strap “ “

Table 6. Product Price & Features

6.4. Appendix D: Cost of Goods Sold (COGS)

Product 1: SpecTrack XS			
Item	Description	Cost Basis	Cost
Materials	<u>1x SpecTrack XS:</u> Processor Node Bluetooth SoC Rechargeable Battery (USB) Speaker X-Small Aluminium Case	Per Unit Made	\$10.62
	<u>1x USB Cable</u>	Per Unit Made	\$0.35
Packaging	Australian Post Small Satchel (10 Pack)	Per Unit Sold	\$9.70
	SpecTrack Thank You Card	Per 200	\$1.00
Postage	Prepaid Delivery Stamps Under 1kg - Fragile Item	Per Unit Sold	\$1.00
Total			\$22.67
Sale Price			\$49.99

Table 10. Product 1 COGS

Product 2: SpecTrack			
Item	Description	Cost Basis	Cost
Materials	<u>1x SpecTrack:</u> Processor Node Bluetooth SoC Rechargeable Battery Speaker Small Aluminium Case	Per Unit Made	\$11.62
	<u>1x USB Cable</u>	Per Unit Made	0.35
Packaging	Australian Post Small Satchel (10 Pack)	Per Unit Sold	\$9.70
	SpecTrack Thank You Card	Per 200	\$1.00
Postage	Prepaid Delivery Stamps Under 1kg - Fragile Item	Per Unit Sold	\$1.00
Total			\$23.67
Sale Price			\$59.99

Table 11. Product 2 COGS

Product 3: SpecTrack for Thin			
Item	Description	Cost Basis	Cost
Materials	<u>1x SpecTrack Adjustable:</u> Fabric Adjustable Strap Processor Node Bluetooth SoC Rechargeable Battery Speaker X-Small Aluminium Case	Per Unit Made	\$13.62
	<u>1x USB Cable</u>	Per Unit Made	0.35
Packaging	Australian Post Small Satchel (10 Pack)	Per Unit Sold	\$9.70
	SpecTrack Thank You Card	Per 200	\$1.00

Postage	Prepaid Delivery Stamps Under 1kg - Fragile Item	Per Unit Sold	\$1.00
Total			\$25.67
Sale Price			\$69.99

Table 12. Product 3 COGS

6.5. Appendix E: Business Establishment Costs

Category	Item	After First Month (\$AUD)	After First Year (\$AUD)
Registration	Business Name Registration (ABN)	\$39.00	\$39.00
	Trademark (IP)	\$250.00	\$250.00
Website & Application	Domain Name (MelbourneIT)	\$77.00	\$77.00
	Website Design (Freelancer)	\$3,000.00	\$3,000.00
	Application Design (Freelancer)	\$17,500.00	\$10,000.00
Insurance	Cybersecurity Insurance	\$100.00	\$1,000.00
	Product Liability Insurance (AON)	\$65.00	\$780.00
	Workers' Compensation Insurance	\$5,000.00	\$5,000.00
	Contents Insurance	\$1,500.00	\$1,500.00
Advisor's Fees	Accountant Advice	\$455.00	\$455.00
	Solicitor Advice	\$850.00	\$850.00
Staff Salaries	Full Time (1) (Owner)	\$717.79	\$8,613.48
	Manufacturing Contract	\$1,000.00	\$1,000.00
Stock	Product Design - Software and Hardware (One-Off) (Freelance)	\$1,350.00	\$1,350.00
	Manufacturer (Product Orders Per Period)*	\$720.00	\$29,400.00
Initial Marketing	Search Engine Optimisation (One-Off)	\$5,000.00	\$5,000.00
	Social Media Marketing	\$6,000.00	\$6,000.00
Debt Financing	Start-Up Loan Repayment (NAB)	\$341.00	\$4,092.00
Total		\$44,823.79	\$87,106.48

Table 7. Business Establishment Costs

*Approximation for cost of goods sold for sales based off of sales predictions after month 1 and sales after year 1.

6.6. Appendix F: SpecTrack Projected Statement of Cash Flows

SpecTrack Statement of Cash Flows for the Year Ended 31 June 2024

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Cash Inflows												
<i>Set up capital</i>												
Savings	20,000											
Bank Loan	25,000											
Sales	1,800	3,000	3,599	4,499	5,999	8,399	6,599	5,399	5,399	7,199	9,598	11,998
Total Cash Inflows	46,800	3,000	3,599	4,499	5,999	8,399	6,599	5,399	5,399	7,199	9,598	11,998
Cash Outflows												
Registration	289											
Website & Application	20,500											
Insurance	6,665	165	165	165	165	165	165	165	165	165	165	165
Advisor's Fees	1,305											
Staff Salaries	1,718	718	718	718	718	718	718	718	718	718	718	718

<i>Stock</i>	2,070	1,200	1,440	1,800	2,400	3,360	2,640	2,160	2,160	2,880	3,840	4,800
<i>Marketing</i>	11,000											
<i>Debt Financing</i>	341	341	341	341	341	341	341	341	341	341	341	341
Total Cash Outflows	43,965	2,424	2,664	3,024	3,624	4,584	3,864	3,384	3,384	4,104	5,064	6,024
Excess of Inflows Over Outflows	2,835	576	936	1,475	2,375	3,815	2,735	2,015	2,015	3,095	4,535	5,974
Balance at the Beginning	0	2,835	3,411	4,346	5,822	8,197	12,012	14,747	16,762	18,777	21,872	26,407
Balance at the End of the Month	2,835	3,411	4,346	5,822	8,197	12,012	14,747	16,762	18,777	21,872	26,407	32,381
Balance at the End of the Year	32,381											

Table 13. SpecTrack's Projected Statement of Cash Flows

6.7. Appendix G: In-Depth Break Even Analysis

Units Sold	Variable Costs	Fixed Costs	Total Costs	Sales Revenue	Net Profit
0	\$ -	\$ 72,595.96	\$ 72,595.96	\$ -	\$ (72,595.96)
100	\$ 2,400.00	\$ 72,595.96	\$ 74,995.96	\$ 5,999.00	\$ (68,996.96)
200	\$ 4,800.00	\$ 72,595.96	\$ 77,395.96	\$ 11,998.00	\$ (65,397.96)
300	\$ 7,200.00	\$ 72,595.96	\$ 79,795.96	\$ 17,997.00	\$ (61,798.96)
400	\$ 9,600.00	\$ 72,595.96	\$ 82,195.96	\$ 23,996.00	\$ (58,199.96)
500	\$ 12,000.00	\$ 72,595.96	\$ 84,595.96	\$ 29,995.00	\$ (54,600.96)
600	\$ 14,400.00	\$ 72,595.96	\$ 86,995.96	\$ 35,994.00	\$ (51,001.96)
700	\$ 16,800.00	\$ 72,595.96	\$ 89,395.96	\$ 41,993.00	\$ (47,402.96)
800	\$ 19,200.00	\$ 72,595.96	\$ 91,795.96	\$ 47,992.00	\$ (43,803.96)
900	\$ 21,600.00	\$ 72,595.96	\$ 94,195.96	\$ 53,991.00	\$ (40,204.96)
1000	\$ 24,000.00	\$ 72,595.96	\$ 96,595.96	\$ 59,990.00	\$ (36,605.96)
1100	\$ 26,400.00	\$ 72,595.96	\$ 98,995.96	\$ 65,989.00	\$ (33,006.96)
1200	\$ 28,800.00	\$ 72,595.96	\$ 101,395.96	\$ 71,988.00	\$ (29,407.96)
1300	\$ 31,200.00	\$ 72,595.96	\$ 103,795.96	\$ 77,987.00	\$ (25,808.96)
1400	\$ 33,600.00	\$ 72,595.96	\$ 106,195.96	\$ 83,986.00	\$ (22,209.96)
1500	\$ 36,000.00	\$ 72,595.96	\$ 108,595.96	\$ 89,985.00	\$ (18,610.96)
1600	\$ 38,400.00	\$ 72,595.96	\$ 110,995.96	\$ 95,984.00	\$ (15,011.96)
1700	\$ 40,800.00	\$ 72,595.96	\$ 113,395.96	\$ 101,983.00	\$ (11,412.96)
1800	\$ 43,200.00	\$ 72,595.96	\$ 115,795.96	\$ 107,982.00	\$ (7,813.96)
1900	\$ 45,600.00	\$ 72,595.96	\$ 118,195.96	\$ 113,981.00	\$ (4,214.96)
2000	\$ 48,000.00	\$ 72,595.96	\$ 120,595.96	\$ 119,980.00	\$ (615.96)
2017.11475	\$ 48,410.75	\$ 72,595.96	\$ 121,006.71	\$ 121,006.71	\$ (0.00)
2100	\$ 50,400.00	\$ 72,595.96	\$ 122,995.96	\$ 125,979.00	\$ 2,983.04
2200	\$ 52,800.00	\$ 72,595.96	\$ 125,395.96	\$ 131,978.00	\$ 6,582.04

Table 14. In-Depth Break-Even Analysis

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