Electra

The Freedom to Charge

Georgia FBLA
Business Plan
2012-2013
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Executive Summary

The business world of today is more connected than ever before. As business travelers find themselves away from their workplace more often, the ever-growing need to remain connected has spawned the laptop, the smartphone, and the tablet industries. Unfortunately, some areas of this technology have evolved more quickly than others. While the functionality of these devices has increased exponentially, their average battery lifespan has not been able to keep up. As business travelers gather in places such as airports or convention halls, they find their devices running out of battery at critical moments. Because electricity is an electronic device’s lifeline, business travelers find themselves drawn to and even bound to the power outlet. Essentially, their mobility is hindered by their devices’ need for electricity. Attempts in the past to solve this problem have offered only temporary ‘painkiller’ solutions that almost always fail. Electra LLC, founded by a team of three entrepreneurs, offers a practical and innovative way to solve this ever-present problem.

Wireless charging addresses several problems including hindered mobility, limited connectivity, and a disrupted lifestyle by creating an unlimited power source for travelers. These problems are accomplished by installing transmitters throughout a certain location, creating an ‘Electra-Zone’, where one can receive power through a special receiver that can be plugged into electronic devices. Attempts in the past to solve hindered mobility, interrupted connectivity, and/or lifestyle disruption have ranged from external battery cases to ‘Powermats’ that allow one to charge his or her device without a cord. Unfortunately, none of these solutions are able to achieve a situation where a business traveler has access to a power source no matter where he or she goes. Electra is developing a world where one can charge devices wirelessly.

Electra has a very large market potential, targeting the rapidly growing charging accessories market, currently valued at $1.5 billion. An important segment of the market for this service, business travelers, has a crucial need for a solution to alleviate their problems.

Electra has several revenue streams that can be used. Giving companies the chance to sponsor this service allows them to receive greater recognition and promote the company’s brand. Additionally, many businesses such as Wi-Fi providers would like the chance to add another service to what they presently offer, creating an attractive potential market for Electra. Because no geographical restrictions exist, Electra has unique opportunities to expand its services to many locations through partnerships and licensing deals in other countries. Electra is expected to end year three with over $2,000,000. Currently, Electra is looking for a funding of $1,090,000 for further product customization. Investors can expect a return of 18% within 36 months.

Eventually, Electra will be able to allow any person to receive power wirelessly regardless of location. Electra will begin the new technological revolution, creating a world where one is free of the restraint of the out-of-date power outlet.
Company Profile
In the status quo, the business traveler is more mobile now than ever. He or she is travelling more, working more, and remaining connected to his work and family at all times. Additionally, the business traveler is using more devices for work (e.g., many now carry at least three devices: a laptop, a tablet, and even multiple cell phones). Advancements in technology are solving any issues present. For example, Facebook and LinkedIn allow for better connectivity. Faster computers allow for faster analysis and work. 4G and Wi-Fi hotspots allow for work to be done anywhere. However, one technology that is the key enabler is still far behind – power to run all these electronic devices. Batteries still run out of energy frequently. Everybody has had a device die at one point in time. In a recent market research study conducted by Mintel, battery life is the second most important factor for consumers when choosing a new phone and was cited by respondents across all age groups. Through this issue, three main problems arise:

1. Hindered mobility – power outlets minimize the mobility of their users, binding the users to the outlet if they wish to charge their device.
2. Interrupted connectivity – when battery on a device runs out, users’ connection to their contacts is lost, causing them to miss important phone calls and messages.
3. Disrupted lifestyle – many people change their routines because they need a battery to last them throughout the day. Thus, they use their phone less frequently and do not check their messages as often. However, they should not be forced to adapt their way of living because of this.

Electra’s mission is to provide a wireless charging solution that enables complete mobility and continuous connectivity while eliminating the inconvenience that has resulted from limited battery life. To achieve wireless charging, Electra’s service uses a technology known as magnetically coupled resonance. The product will consist of a transmitter, the EZtransmitter (ElectraZone Transmitter), and a receiver, the EZreceiver. Both consist of coils of wire that resonate at the same frequency, producing a magnetic field in which both can interact. The EZreceiver is somewhat smaller than the typical cell phone. Users can have additional plugs to the EZreceiver that allow it to attach to any portable electronic device. The EZtransmitters will be slightly larger than dinner plates, and can be attached to the ceiling, on the floor, and under tables with some additional wiring. These EZtransmitters create a magnetic field, and any EZreceiver that is in that magnetic field can receive power. Additionally, the technology is completely safe. Tests from MIT have shown that the magnetic fields produced have no adverse effects on the human body and that there is no interference with other electronic devices. The technology will be able to pass the FCC, UM, CA, and CE certification tests.

Legal Form of Business
Electra is set up as a limited liability company. That way, the company does not have to pay taxes at the corporation level. Also, it shows that the partners have invested their own share in the company, but allows them flexibility in the company.

Effective Date of Business
The effective date of business is to be decided; however, assuming sufficient funds are gathered by the fall of 2013, the operation will be set up by January 1, 2014.

Company Mission Statement
Electra’s mission is to provide wireless charging solutions that enable complete mobility and continuous connectivity while eliminating the need for change of one’s lifestyle that has resulted from limited battery life.
Company Governance
The company will be equally governed by the three partners of Electra, Aditya Sood, Amy Wang, and Joseph Blengickel. Electra plans on having a group of investors comprising as a board who will be included in executive decisions of the company. However, the chief executive officer will have final word. Loans given out by members of the board will be paid back beginning the six months after the first revenue stream has been opened up.

Company Location
Electra’s office, research center, and manufacturing area will be located at 1429 Fairmount Avenue, Atlanta, GA 30318 and will be used for further research and development of the products in order to augment their features, contact customers, and assemble the EZTransmitters and EZreceivers. Board meetings as well as central operations will be conducted from this building.

Immediate Development Goals
Electra has three immediate development goals. The objectives for Electra over the next three years are to:
1. Achieve sales revenues of approximately $15,737,000;
2. To develop a need and create demand for our product in business circles;
3. To expand operations to the five busiest airports in America: Hartsfield Jackson Atlanta International Airport, O’Hare International Airport, Los Angeles International Airport, Dallas/Fort-Worth International Airport, and Denver International Airport.

Overview of Company’s Financial Status
Electra will need an initial loan of $1,090,000. The company will break even February of Year 3. In Year 1, the revenue will be $1,677,000. In Year 2, the revenue will be $4,032,000. In Year 3, the revenue will be $7,137,000.

Industry Analysis
Description of Industry
The sale of products such as laptops, smart phones, and other personal electronics is on the rise. Because the percentage of businesspeople who own laptops (50% in 2008) is higher than the percentage of the total population of the United States who own laptops (39% in 2008), businesspeople will be the ideal market to target. Laptops require large amounts of electricity to run for hours, posing a unique problem as wired charging is a) usually not accessible or b) inconvenient to find an outlet as well as requires staying immobile in the same location. Travelers that make use of their laptops’ portability would need to charge their laptop even when not near an outlet. However, wires can only be so long, so a laptop without power would always need to be in the vicinity of a power outlet. In addition, wires are inconvenient and cause clutter. Wireless charging introduces a change that solves these problems of hindered mobility.

Size: The charging accessories industry is currently valued at $1.5 billion. Additionally, the Consumer Electronics Association analyzes the electronics market in the United States alone at $215.8 billion (“Industry Sales Data”). This large market of both electronics and charging accessories allows Electra to dominate the open scope. The average person spends $1,200 a year and owns 25 consumer electronics, as calculated by the Consumer Electronics Association (OGG). This number is increasing by about 4% each year, which is the fastest rate of growth since 2005.

Growth Rates: Individual electronic devices are also rising in terms of expenditure. PCs and laptops generated about $28 billion in sales. While tablets and e-readers were had an obvious lower sales number than PCs, they almost doubled in sales from 5.1% to 10.7% in 2010 to 2011 to $15 billion (Robgert). The double in sales presents opportunity to take advantage of the growing industry to market our product to the new numbers of consumer electronics. The mobile phone market share also grew from 2010 to 2011 and was analyzed at about $12.5 billion.

Nature of Competition: While there are several competitors in the industry, none truly address the problem Electra is solving. However, the competitors control the majority of the market. Wired chargers are the default charging system for most people so they already control over 90% of the market. Induction charging on the other hand has