



*Live the World*

# **BUSINESS PLAN**

## **Univenture 2018-2019**

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# Executive summary

## Our Mission

Our aim is to provide municipalities with a complete digital platform that will support them in promoting and enhancing their territory, showing off their hidden treasures and local strengths both to tourists and citizens. Adopting new instruments is crucial for institutions that need to be keep up the tourism 2.0 revolution: Hearth, an all-in-one tool that cares about it, is the solution.

## The Company and Management

Hearth S.r.l. Unipersonal, an independently owned startup, came up as an idea in October, 2017 and was legally incorporated as a Limited Liability Company on 04 January, 2018.

“Hearth” as a trademark is protected by the European Union Intellectual Property Office (EUIPO). Also it is included in the Trademark Clearinghouse (the central repository for validated trademarks for the purpose of protecting brands).

It is operated by CEO&Founder, Massimiliano Imbimbo, who worked on MVP of application, made some contracts with Municipalities (Avellino, Paestum, Acropolis), won several awards on exhibitions devoted to innovation and digitalization and got involved in many incubator projects. Other members involved in the project are Nicola Capolupo (CCO), Carmine Spagnuolo (graphic and branding), Francesco Sacerdoti and Ignazio Finizio (software engineers) and the Apple Developer Academy team.

## Our services

Our clients are municipalities, both in Italy and abroad, that are looking for a way of managing the territory so as to increase tourists' arrivals and to meet citizens' requirements. Hearth offers a variety of services, including:

- Interactive map
- Upcoming events' visualization and description
- Local businesses' profile
- Museums and other tourism attractions' profile
- Tickets' booking and selling system for experiences, attractions, tours and more
- Bloggers and travelers' contents
- Emergency alert system
- Other services for the citizen



## The Market

Despite economic and political challenges across the globe, the travel and tourism industry remains as a key sector for economic development. In Italy, tourism is the leading industry contributing to 13 % of their economy, making it somehow dependent to the travel sector. For the last couple of years, technology has fostered a change on travel trends reshaping the whole travel industry, where travelers no longer need traditional approaches when they arrive to their destination. This trend has led companies and public entities to focus on adapting to travelers needs in order to stay on the market. In fact, the strategic planning of Italy's tourism department, is already planning to develop different strategies to promote and enhance the exploration of their territory through digital channels by working with the private sector. The current trend from tourist seeking digitalization and the need for municipalities to supply that need, presents an opportunity for Hearth to penetrate the market. Hearth target are those municipalities that are seeking to connect tourist and citizens with their territory through an online platform and those small municipalities that want to increase their visibility.

## Our Competitive Advantage

Hearth has the advantage of being a single app that allows municipalities to manage heterogeneous tasks efficiently, both for tourists and for citizens; plus, it lets users to not have to download dozens of apps while living a Region. Besides, unlike other competitors, we offer a high-quality service, a really interactive map for an intuitive navigation and an open innovation approach.

## Financial Projections

Based on our analysis, our sales projection for the first year is Euro 46,175. We will then expect a significant increase in Year 2 and Year 3 by 813% and 66%. The significant increase will be mainly due to expansion from regions to regions in the second year and to launching of the application in Barcelona, Spain in the third year. We also noted that we will incur a net loss of Euro 172,640 in the first year due to start-up costs and salary paid to developers of the application. However, in Year 2 we expect to have a net increase by 9% due to expansion to other regions as mentioned previously and also an increase by 16% in Year 3 leading to a continuous improvement in the Company. Regarding the number of employees, in Year 1 we will require 7 in the development team, 1 in Marketing department, 1 in sales department and finally the CEO, in total 10 employees. The sales department will grow from 1 to 5 in relation to the expansion to other regions in Year 2 and from 5 to 8 in Year 3.

## Start-up financing requirements

We are seeking for an amount Euro 213K to finance our first-year growth. The founder has already invested Euro 20k in the Company.

