**Business Model**

**1. Identify and describe a type of business model that would be well suited to**

**commercializing your team’s product. Discuss the reasons for your choice.**

The business model that our team has elected to use was the canvas model. It would be the best business model suited to commercialize our team’s product, the change table. We decided to go with the canvas model because it presents our information, target customers, values and more. Also, it makes it clear which resources that we have used in order to complete the project.

**2.Fill in a business model canvas by answering the how, what, who and how much of your chosen business model.**

| Key PartnersHome DepotSolidWorksMTC Lab (CEED) | Key ActivitiesConvenience of using a change table | Value PropositionsPortabilityReliable Change TableLightweight ConvenientStructured/Solid | RelationshipsPeople in need for a change table | Customer SegmentsDisabled peopleInjured/Ill peopleEvent planners(Emergencies)ElderlyCampers |
| --- | --- | --- | --- | --- |
|
| Key ResourcesWoodScrewsHingesPVC mesh fabric | ChannelsMakerRepo(potentially DHL) |
|
| Cost StructureManufacturing CostsMaterial CostsMarketing and SalesProduct DevelopmentGeneral and Administrative Costs | Revenue StreamsSell the product. (Our prices will be the manufacturing cost + labor cost) |

**3. Describe the core assumptions that you have made in developing your business model canvas and comment on its feasibility. Important: These core assumptions should be based on the business model you have chosen and not on your prototype (e.g. what type of clients do you assume your product will attract?).**

The first core assumption that our team has made in developing our team business model canvas was the channels. We elected to go with MakerRepo, which our team currently uses to document our project. We assumed that if we were to distribute our product to clients across a certain area (Ontario, Canada, Worldwide), we would use a delivery service to deliver our product. Thus, we assumed that we would go with DHL as they offer a good service internationally that can give us unlimited range if we desire to have it. The second assumption that we made was our customer segments. Currently we only have a child that has cerebral palsy and his caretakers as our only client. We assumed however that future clients might entail other disabled people, event planners might want to furnish some to their customers, the elderly and campers might find our product useful. Thus giving us the reason to add them to customer segments.

**Economics Report**

Our group developed a forecasted income statement for our company based on the business model we have created. This required sufficient information involving consumer interest and demand. We used data from the variable, fixed, direct, and indirect costs to determine a total for our expenses. With this data, we will create a 3 year income statement to estimate the net income over the next few years. Our project is majorly sponsored by CEED, but this is a report on the cost associated with the production and distribution of our project. These values are the estimated prices per annum of each expenditure

|  | Cost Type | Price($) |
| --- | --- | --- |
| Manufacturing | Fixed |  |
| Transportation | Variable | 60 |
| Production Materials | Variable  | 327.48 |
| Marketing | Fixed  | 60 |
| Salaries | Fixed  | 720 |
| Electricity | Variable | 300 |
| Overhead  | Fixed | 30 |

For the prototype and testing, we did not make a physical design due to the cost of making each model. We used Solidworks to illustrate what the product will look like. We also simulated the design to highlight and identify any errors in the model. After the test was done and the design errors were fixed, we went on to build a physical model that will be given to the client. The cost of using solidworks was free so the cost of prototype and testing was zero.

**Income Statement for 3 years**

|  | 2021($) | 2022 ($) | 2023 ($) |
| --- | --- | --- | --- |
| **Sales** | 2500 | 2800 | 2900 |
| Less (Cost of good Sold) | 1020 | 1120 | 1120 |
| Gross Profit on sales | 1480 | 1680 | 1780 |
| **Operating Expenses** |  |  |  |
| Marketing | 50 | 50 | 50 |
| Transportation | 10 | 15 | 15 |
| Production Materials | 327.48 | 350 | 350 |
| Salaries | 720 | 720 | 720 |
| Less (Total Operating Expenses) | (1307.48) | (1335) | (1335) |
| Operating Income | 372.52 | 545 | 645 |
| (Income Tax @13%) | 22.43 | 44.85 | 57.85 |
| **Net Income** | **352.67** | **500.15** | **587.15** |

**NPV Analysis**

|  | PV | FV |
| --- | --- | --- |
| Income for 2021 | 152.67 | 152.67 |
| Income for 2022 | 300.15 | 339.17 |
| Income for 2023 | 387.15 | 437.48 |

The assumptions we have made for developing our economics report incorporate all kinds of expenses with the exception of the cost of parts. We can likewise expect deals development every year as our customer fulfillment will increase sales revenue through proper marketing. Our target clients are people like our clients who use wheelchairs or are disabled. It will be a relief to have a place to set up and change even when they are in a public space.Our aim is to sell the table for $200 apiece due to the cost of manufacturing and other expenses involved. The salaries will be at $15 due to the little experience needed for this job. And it will take approximately 4-5 months to complete the entire manufacturing. We used our own vehicle so transportation hence the reduced cost. At $200 a table, we would need to sell at least 11 tables to turn a profit at the end of the year

**Wrike Update**

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