



## Business Plan

By Targo Consulting

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# EXECUTIVE SUMMARY

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## The Product

Claresis is a revolutionary IT Operations Analytics (ITOA). Using advanced analysis and state-of-the-art technology, Claresis allows organizations to simplify and automate IT processes, reduce the number of IT failures as well as the time it takes to handle them, and ultimately – save a tremendous amount of money.

## The Problem

Time is on the essence when handling IT failures, which largely impact businesses negatively.

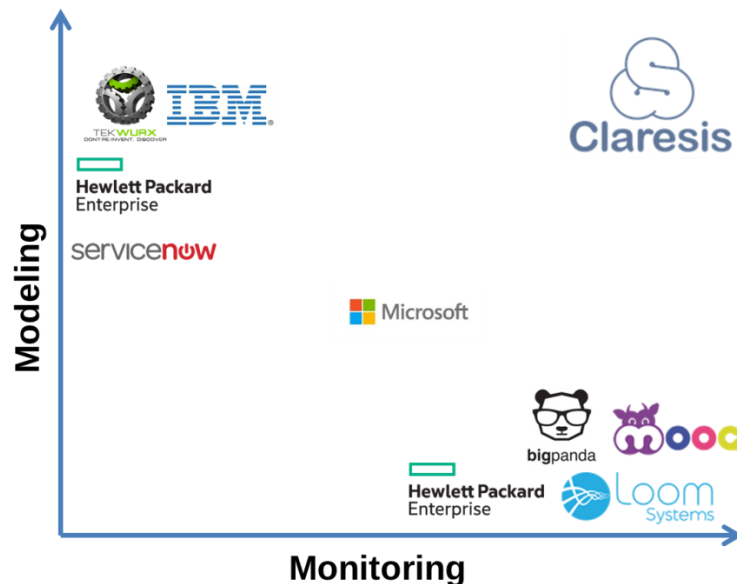
- IT failures cost Fortune 1000 companies from **\$1.25 billion to \$2.5 billion** per organization every year
- **45%** of businesses are impacted in the first **15 minutes** of an IT failure
- **60%** of businesses reported it takes **15 minutes** or more to just identify who the right individual is to respond to a particular issue
- **35%** of businesses reported time-to-repair of up to **12 hours**

## The Market

- The global IT market is estimated at **\$3.3 trillion**
- The global IT operations market is estimated at **\$140 billion**
- The emerging market of ITOA is estimated at **\$4 billion**, with a CAGR of **35.2%**, and is expected to grow to **\$9.8 billion** by 2020
- **78%** Of organization are willing to implement ITOA solutions

## Competition

Claresis' competitors consist of small and large companies which provide separate solutions for monitoring and modeling IT environments, but are yet to integrate the two into a single platform.



## Business Model, Target Market & Distribution Channels

- Claresis' **target market** is organizations that are in need for a solution to manage their IT environment
- Claresis' **revenue model** will be based on charging an annual license fee
- To **distribute** Claresis, the company will make use of two distribution channels: direct sales (in-house salespeople) and indirect sales (IT integrators/business partners).

## Go-To Market Strategy

The company will initiate a pilot in Israel. Upon successful pilot period, the company will go global, focusing on the US market.

## Marketing Mix



Exhibitions/Expos



Public Relations



LinkedIn Campaign



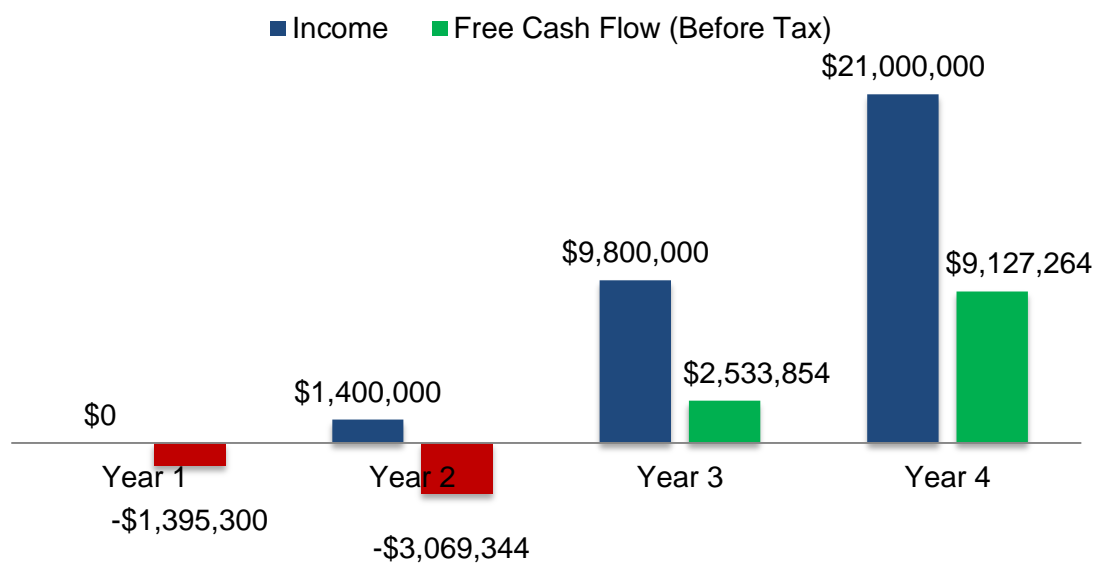
Online Advertisement

## Timeline

- - 2017 – Tech POC achieved, partnerships with integrators have been made
- Q1-Q2 – Pilot in Israel, fund raising, development
- Q3 – First sales in Israel
- Q4 – Additional fund raising
- Year 2 – First sales in the US

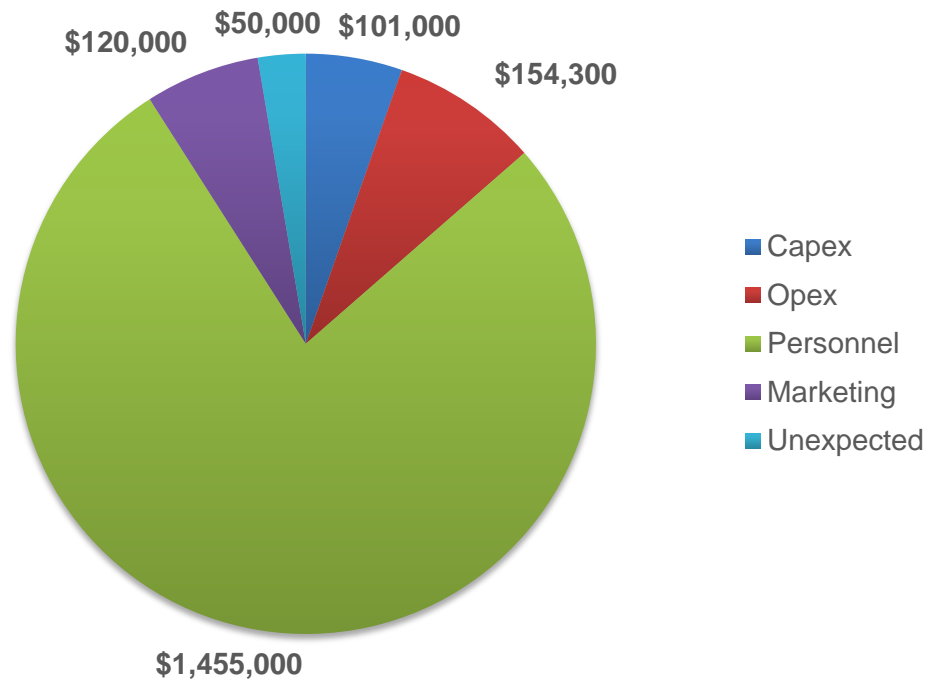
## Projections

### Yearly Cash Flow



## Funds Needed

The company is looking to raise **\$1,880,300** which will be used as follows:



# THE PRODUCT

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Claresis is a revolutionary IT Operations Analytics (ITOA), allowing organizations to easily pinpoint the root cause of IT issues in real-time.

## The Problem

### IT Failures in Businesses

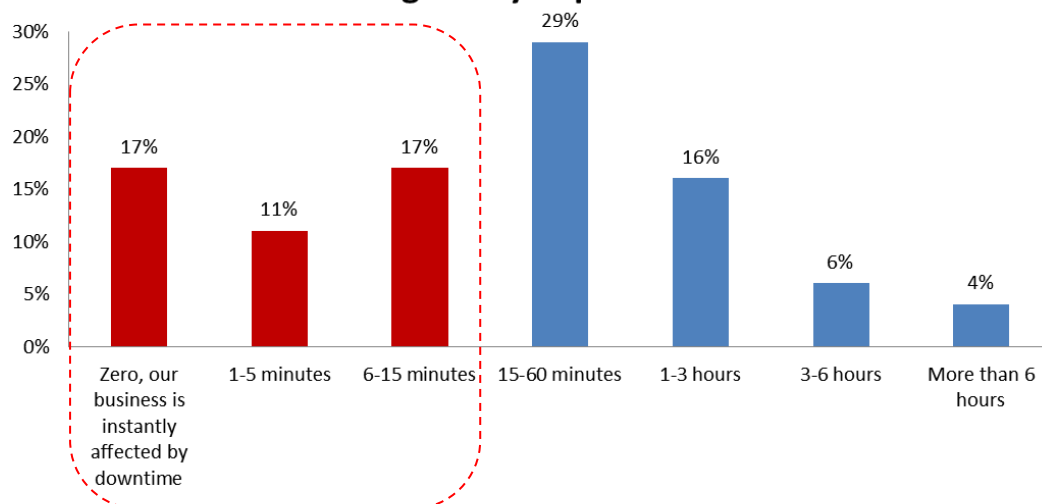
A global survey of IT professionals conducted by Dimensional Research raises some interesting insights regarding IT failures in businesses.<sup>1</sup>

*Time is crucial when dealing with IT failures*

### Downtime

Nearly half (**45%**) of all participants surveyed indicated that their business was impacted if IT was down just fifteen minutes or less. But a full **17%** indicated that their business was negatively affected the instant IT had any service interruptions.

**For your company, approximately how many minutes of IT downtime can occur before the business is negatively impacted?**



<sup>1</sup> <http://info.xmatters.com/rs/alarmpoint/images/xMatters-2015-Survey-Report.pdf>

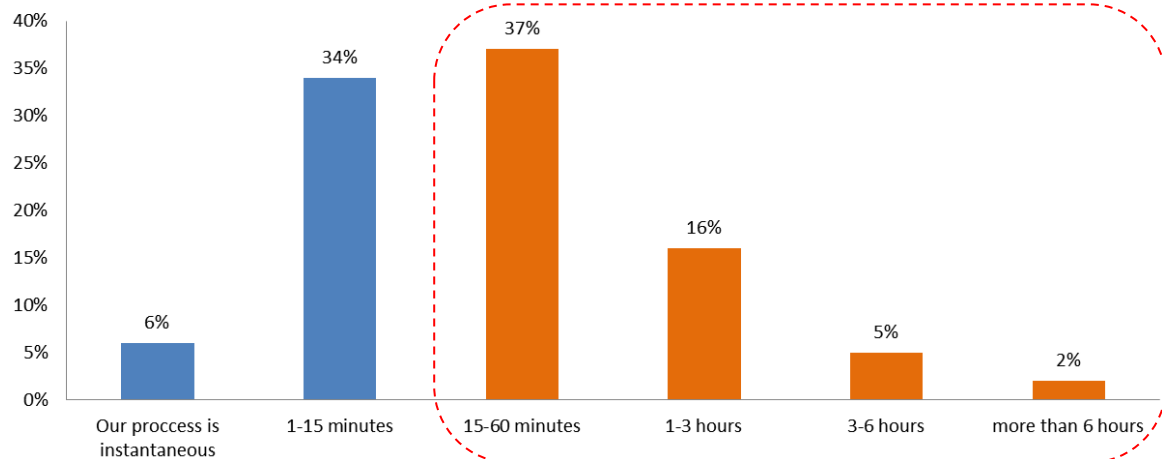
## Time-to-Repair

An IDC survey indicates that **35%** of respondents reported time-to-repair of up to 12 hours. Double-digit percentages – **17%** for infrastructure failures and **13%** for application failures – measured their time-to-repair in days rather than hours.<sup>2</sup>

## Finding the Right Person

When participants were asked how long it takes to just identify who the right individual is to respond to a particular issue, **60%** indicated fifteen minutes or more. That means for most companies their business is being negatively affected before IT has even identified who should respond to a particular problem.

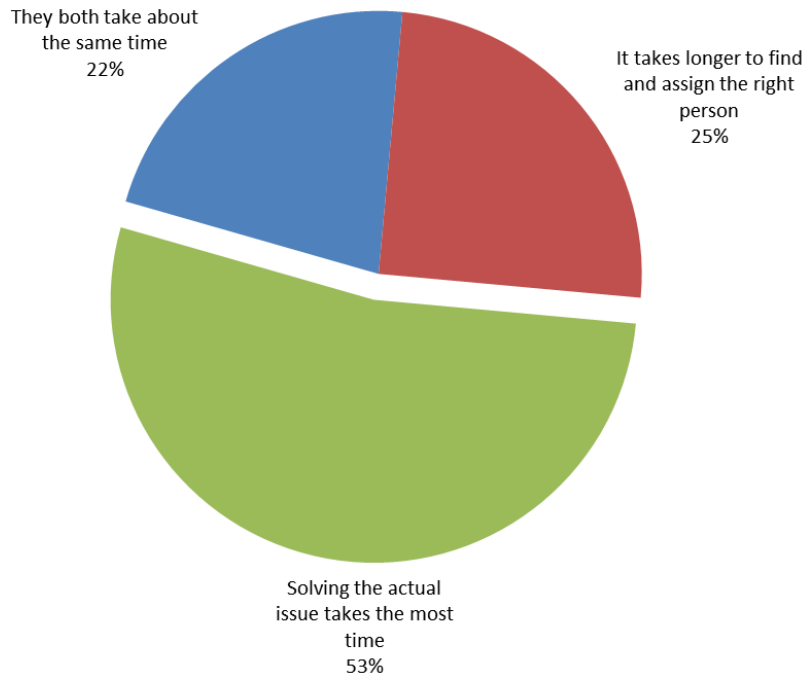
**When IT issues arise, approximately how long does it take to determine who the right individual is to resolve the issue, contact them, and have them respond?**



Further, **47%** of IT professionals surveyed shared that it actually takes as long as, or longer, to identify the right individual as it does to resolve the actual problem. So, nearly half the time it takes to mitigate any IT issue is just finding the right person, and meanwhile the business is being impacted.

<sup>2</sup> <https://kapost-files-prod.s3.amazonaws.com/published/54ef73ef2592468e25000438/idc-devops-and-the-cost-of-downtime-fortune-1000-best-practice-metrics-quantified.pdf>



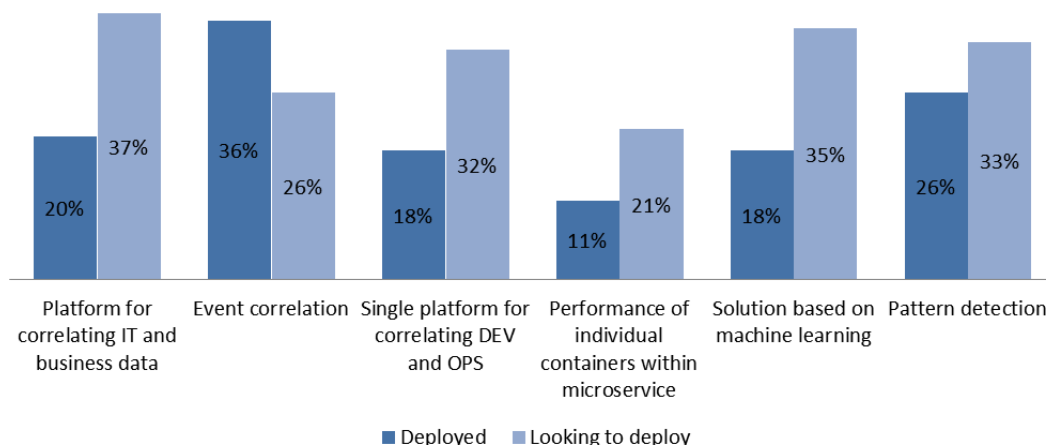


## IT Challenges in Organizations

A recent research by media and research firm DEJ discovered several themes around analytics in IT performance in over 1,000 global organizations surveyed.<sup>3</sup> The research reveals that the goal of 71% of organizations is to make IT more strategic in 2017. It further shows that **78% of these organizations see IT Operations Analytics (ITOA) as a technology that can help them achieve this goal.**

**78%**  
Of organization  
are willing to  
implement ITOA  
solutions

## IT solutions organizations are deployed/looking to deploy



<sup>3</sup> <http://dej.io/2016/09/analytics-in-it-performance-key-capability-or-a-conundrum/>

- **Correlations** – 49% of organizations reported a lack of correlation between system elements as one of their key challenges.
- **Automation** – 55% of organizations are looking to improve accuracy, timeliness and relevance of their alerting and notification capabilities.
- **Advanced and predictive analytics**
- **Machine learning** – 45% increase in the number of organizations looking to deploy machine learning capabilities for IT performance since 2014. Also, the graph above lists machine learning capabilities as one of the top investment areas in IT performance for user organizations in the next 12 months.

## IT Downtime Effects on Businesses

According to an IDC report:<sup>4</sup>

- Unplanned application downtime costs the Fortune 1000 companies from **\$1.25 billion to \$2.5 billion every year**
- On average, infrastructure failure costs large enterprises **\$100,000 per hour**
- Critical application failures exact toll ranging from **\$500,000 to \$1 million per hour**

*IT downtime  
largely affects  
businesses*

## Claresis

Claresis is the fruit of 20 years of experience in development and assimilation of ITOA (Information Technology Operations Analytics) systems, encompassing automatic processes that take place on a day-to-day basis in organizations. Claresis' purpose is to shorten and streamline processes and reduce the number of steps required to perform them, while providing an easy, simple approach to operating them from a single point.

<sup>4</sup> <https://kapost-files-prod.s3.amazonaws.com/published/54ef73ef2592468e25000438/idc-devops-and-the-cost-of-downtime-fortune-1000-best-practice-metrics-quantified.pdf>

## Clarexis' 3 Main Functions

**Root Cause Analysis.** Clarexis ingests data and events from all of the organization's existing IT systems in real-time and can identify the source of the issue and all the relevant components affected

**Predictive Analysis.** Using big data, machine learning, statistical analysis, data mining and more, Clarexis is able to identify the likelihood of future IT failures and issues, based on historical data

**Behavioral Analysis.** Using advanced behavioral analytics, Clarexis is able to learn the unique behavior of the system over time, detect anomalies and set dynamic thresholds



## Value for Organizations



Much faster problem fixing and reduced downtime



Allows making informed decisions about the best way to configure the environment and collaborate as a team



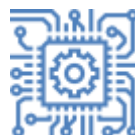
Reduces unnecessary spending and income loss



Shorter assimilation & mapping time



Simplification of the complex IT environment



Automation of processes

# MARKET ANALYSIS

The following market analysis will examine several aspects and facts regarding the global IT & ITOA market, as well as provide insights and future trends.

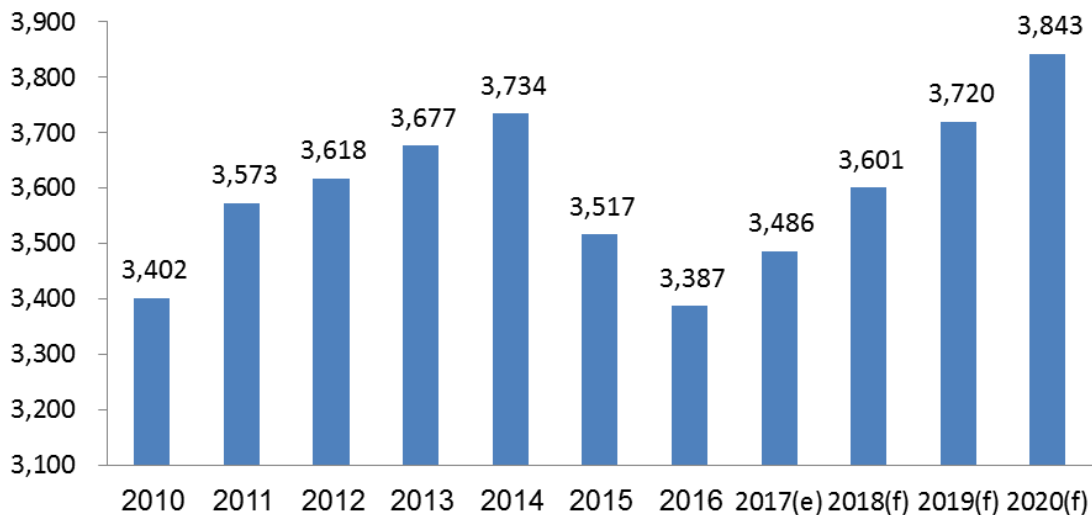
## The Global IT Market

### The Global IT Market Size (In Terms of Spending)

The total IT spending in 2016 was \$3.3 trillion and is forecasted to reach \$3.8 trillion by 2020, representing a CAGR of 3.3% for the 2016-2020 period.<sup>5,6,7</sup>

**\$3.3 Trillion**  
The global  
IT market

### Global IT spending from 2010 to 2020 (in billion \$)



### Global Spending on IT Operations

Below is a graphic depicting the projected increase of IT operations spending globally from 2014 to 2020. The report from IDC projects an increase from \$140.8 billion in 2015 to \$157.8 billion by 2020 globally.

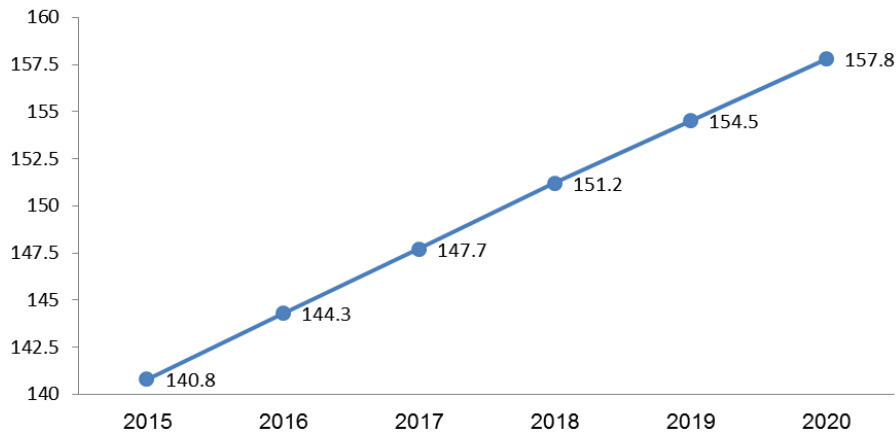
**\$140 Billion**  
The global IT  
operations  
market

<sup>5</sup> <http://www.accelerance.com/research/global-it-market-size-facts-and-figures#Summary>

<sup>6</sup> <http://www.gartner.com/newsroom/id/3482917>

<sup>7</sup> <https://www.idc.com/getdoc.jsp?containerId=prUS41699316>

### Spending on IT operations worldwide from 2015 to 2020 (in billion \$)



### Share Breakdown of IT Spending by Region

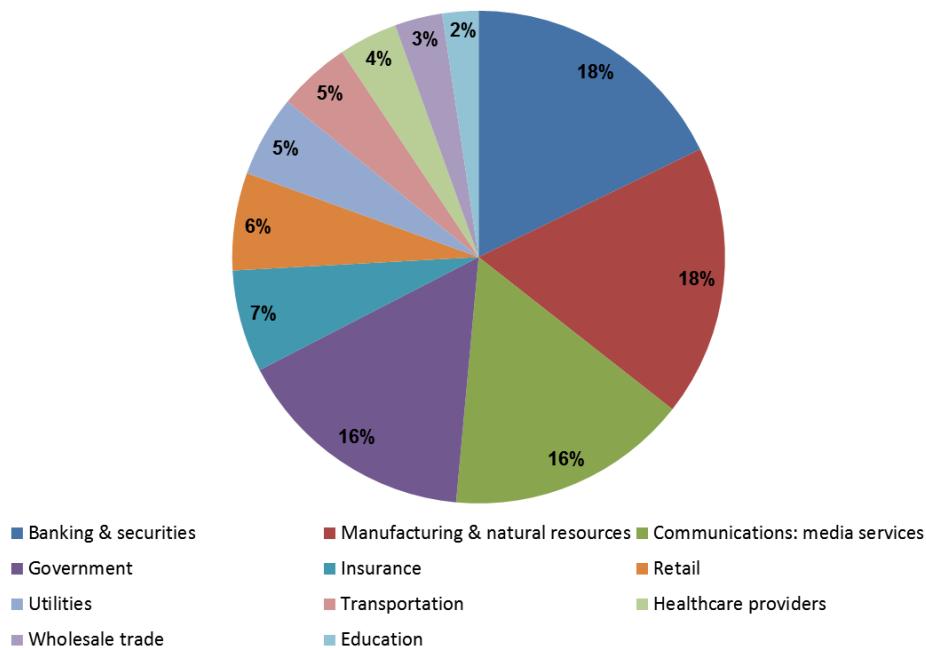
As can be seen in the chart below, geographically, the top 3 regions with over 90% share of IT spending are as of 2015 North America (39.33%), Western Europe (31.74%) and Asia Pacific (19.14%).

Region	Share
North America	39.33 %
Western Europe	31.74 %
Asia Pacific	19.14 %
Latin America	4.45 %
Middle East & Africa	2.84 %
Central & Eastern Europe	2.5 %

### Share Breakdown of IT Spending by Industry

As can be seen in the chart below, the top 5 industries with the highest total IT spending in 2014 were banking and securities (\$498b), manufacturing and natural resources (\$498b), communication (media services) (\$444b), the government sector (\$447b) and insurance (\$187b).

Share of IT spending worldwide by vertical industry (2014)

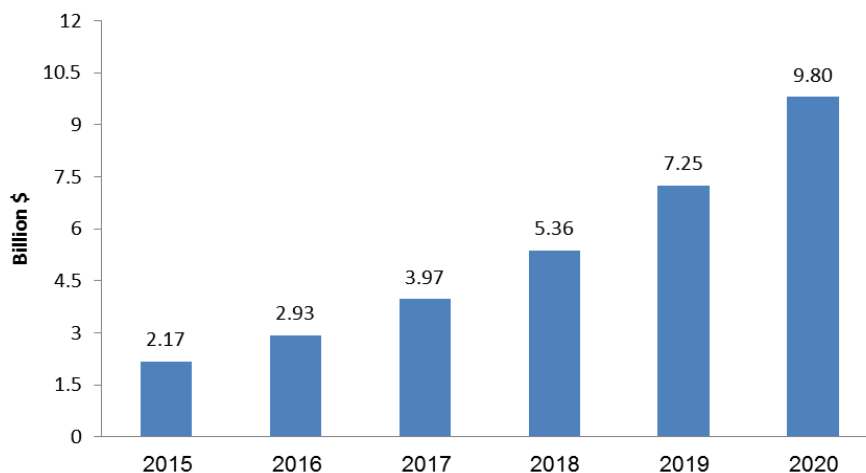


## The ITOA Market

The ITOA market is thriving, and in the next five years it will present huge potential opportunity for ITOA vendors, according to market research by MarketsAndMarkets. By 2020, it is expected to grow to **\$9.79 billion** (from the \$2.17 billion estimated for 2015). This means a **35.2% CAGR** for the 5 years analyzed.<sup>8</sup>

**\$4 Billion**  
The global  
ITOA market  
**35.2%**  
CAGR

The ITOA market value from 2015 to 2020



<sup>8</sup> <http://www.marketsandmarkets.com/Market-Reports/it-operations-analytics-market-145809472.html>

This proves without a shadow of a doubt that **ITOA has reached the maturity point**. It is no longer a small market waiting “to make it big”. These numbers prove that ITOA is here to stay, and that it will soon help reach business goals all over the world.

To put this growth into perspective, an IDC report helps show that the big data technology and services market will grow to \$41.5 billion by 2018 at a 26.4% CAGR.<sup>9</sup> This growth rate is six times the one of the overall information technology market. It goes without saying that big data and ITOA are interdependent: the latter gives the first one meaning and business relevance. It is, thus, absolutely normal for them both to grow at a very similar pace.

### ITOA Market Trends

According to the MarketAndMarkets research, during the 2015-2020 period, **two key components of ITOA are forecasted to grow at the highest CAGR: networks & security management and real-time log analytics**. In fact, the latter is expected to have the largest market share – proving once again that quick response, actionable insights and time-to-market are deemed as crucial business values.

Furthermore, few main catalysts can be assigned to the ITOA market growth:

- **Mass adoption of the cloud** as an indispensable business solution
- **Companies are starting to embrace new technologies** as a means to gain more insight into their customers’ needs and demands
- **Organizations are under pressure to modernize their IT infrastructure** in order to operate more efficiently. They need more resources to innovate in order to keep up with the pace of the business. Unfortunately, most of their budget is lost trying to keep the lights on

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<sup>9</sup> <http://www.idc.com/promo/thirdplatform/fourpillars/bigdataanalytics>



- Since every IT service is based on many parameters from different layers, platforms, and infrastructure, **a small change in one of the parameters amongst the millions of others can create a significant impact.** When this happens, finding the root cause can take hours or days, particularly given the pace and diversity of changes



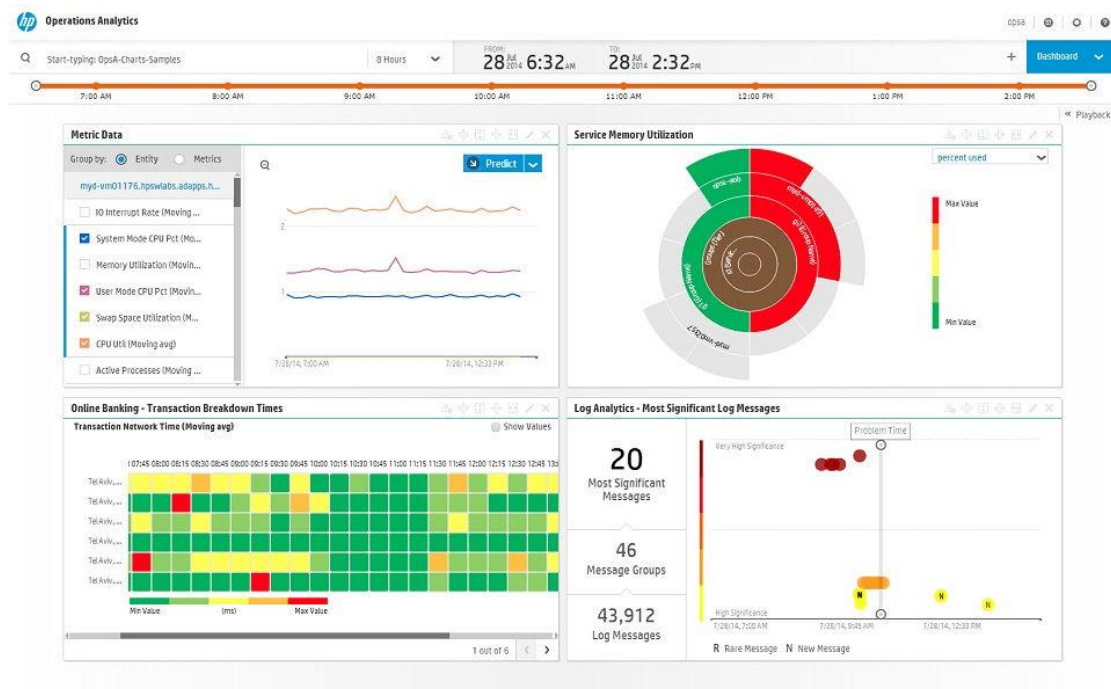
# COMPETITORS ANALYSIS

The following analysis consists of the most relevant competitors that directly or indirectly cater the same needs Claresis is intended to answer.

## Hewlett Packard Enterprise

## [HP Enterprise ITOA](#)

HPE ITOA is an automated analytics driven solution that uses machine intelligence to reveal hidden insights in IT and business data. HPE ITOA enables businesses to find root cause of failures and proactively improve IT operations in a single-pane view.



Key features of HPE ITOA:

- **Advanced machine data** – complete view of the IT environment by leveraging all of the data, both structured and unstructured including: events, logs, topology, and any metric
- **Built-in intelligence** which allows for collection, indexing and search of millions of data fields in real-time
- **Root cause analytics** – identification of trends and pinpointing IT issues in minutes with Time Machine data playback and clear, intuitive dashboards



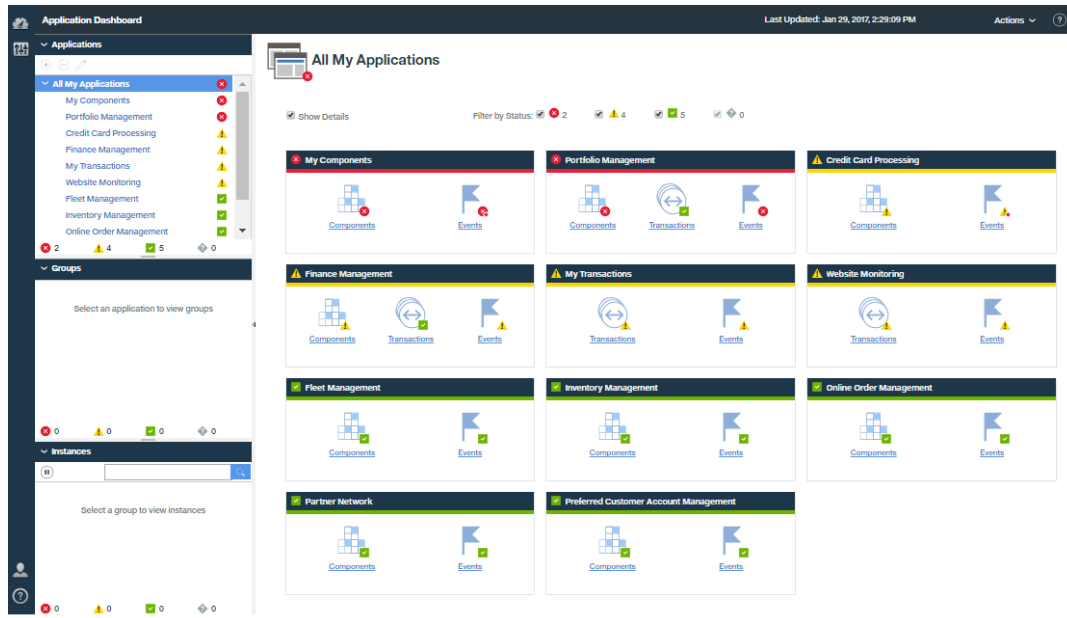
- **Log and event analytics** – automated analysis across known and unknown data filters out noise, determines relevant clusters, and analyzes text to identify abnormal behavior
- **Predictive analytics** – machine learning algorithms automatically calculate baselines taking into account data patterns and seasonality to predict future performance
- **Anomaly alerting** which helps prevent IT issues from impacting end-users with real-time, intuitive alerts that notifies when performance exceeds baseline

According to Software Magazine, HP is the 3rd largest software company in the world in total software revenue, behind Microsoft and IBM as the first and second largest, respectively. HP claims that the HP Software segment is effectively the globe's sixth-largest software vendor with 5,000 partners and 50,000 customers, and works with 94 Fortune 100 companies.<sup>10</sup>

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<sup>10</sup> <http://www.channelweb.co.uk/crn-uk/news/2249524/hp-to-turn-software-business-towards-channel>

IBM ITOA solutions analyze the terabytes of big data from the organization's IT operations. These solutions turn your data into understandable, relevant information and insights that the organization can act on immediately.



IBM ITOA allows organizations to:

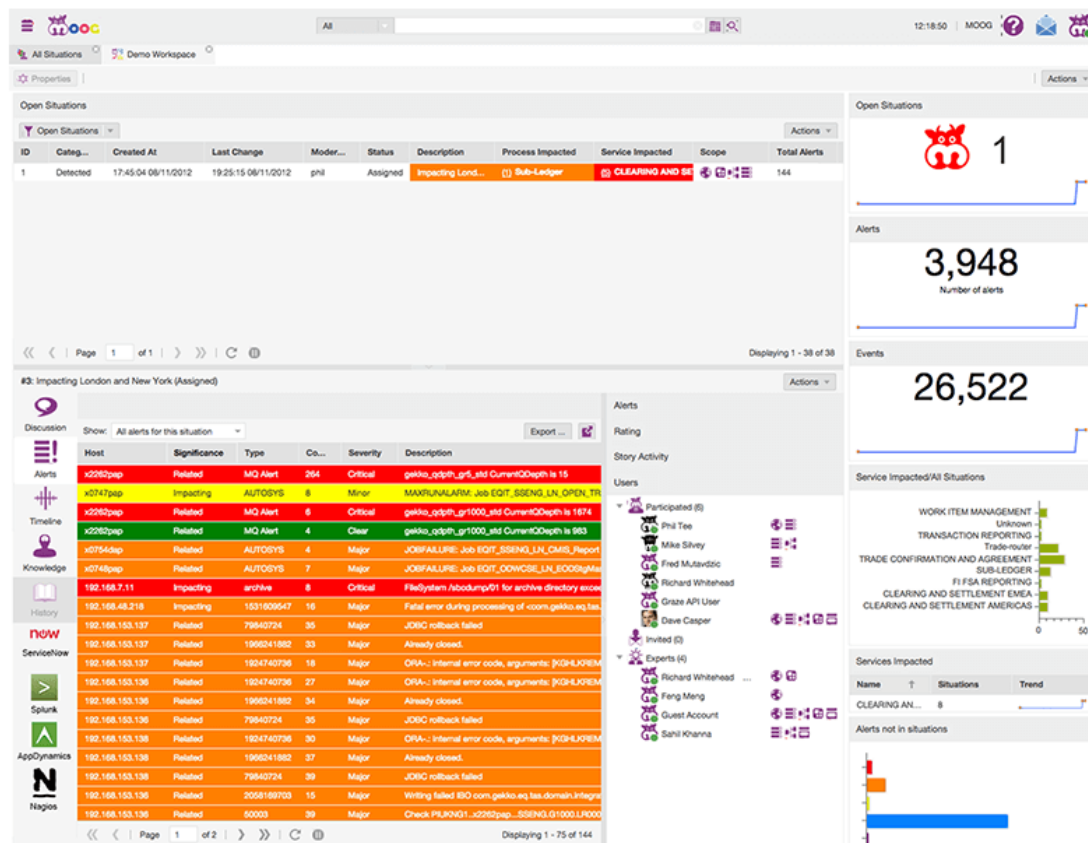
- **Avoid service outages** by detecting anomalous behavior within the environment, sending proactive notifications of emerging operational issues before they become service interruptions
- **Reduce operational costs** by letting the continuous learning capabilities of IBM ITOA learn the environment, set and maintain performance thresholds across applications and resources
- **Improve time-to-repair** – reduce problem query cycle times by 98%
- **Improve operational efficiency**

Nicknamed Big Blue, IBM is one of 30 companies included in the Dow Jones Industrial Average and one of the world's largest employers, with (as of 2016) nearly 380,000 employees.



[Moogsoft](#)

Moogsoft is a leading provider of ITOA for large and complex IT environments. The company delivers machine learning-based incident management solutions to help organizations detect, triage and resolve incidents inside their production environments and improve service quality.



Moogsoft's flagship product, 'Incident.MOOG', is a next-generation manager of managers (MoM), providing an incident early warning and collaborative remediation platform for IT Ops and DevOps teams. Its machine learning approach contextualizes alerts into single Situations, reducing the number of actionable events that have to be handled, accelerating incident resolution, increasing service quality and reducing costs.



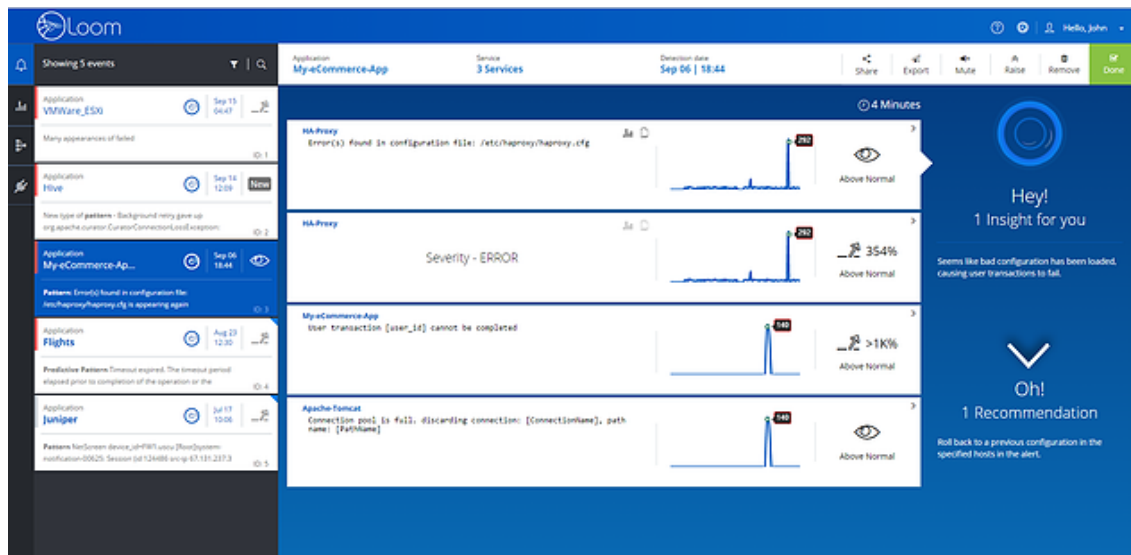
Moogsoft allows organizations to:

- Reduce time-to-detect & time-to-restore by 75%
- Reduce event noise by 99%
- Reduce number of incidents
- Reduce revenue risk

Companies who use Moogsoft solutions include Cisco, Royal Bank of Canada, Yahoo, GoDaddy and T-Mobile.

Moogsoft was founded in 2011 and is based in California, USA. The company has over 100 employees.

Loom Systems empowers IT teams by radically simplifying root cause analysis. It automatically ingests and analyzes all types of logs and metrics, detects anomalies and trends, and reports these along with the root cause.



The entire cycle is fully automatic, requiring no data pre-processing or manual setting of parameters and thresholds. Incidents are accompanied by recommended resolutions from a proprietary resolutions database, which also includes internal resolutions filled in by the platform users.

Built for low-touch operational simplicity and usability, Loom Systems' solution empowers IT, DevOps, System Admins, NOC teams and Security specialists by transforming reactive users into proactive power-users.

Loom Systems allows organizations to:

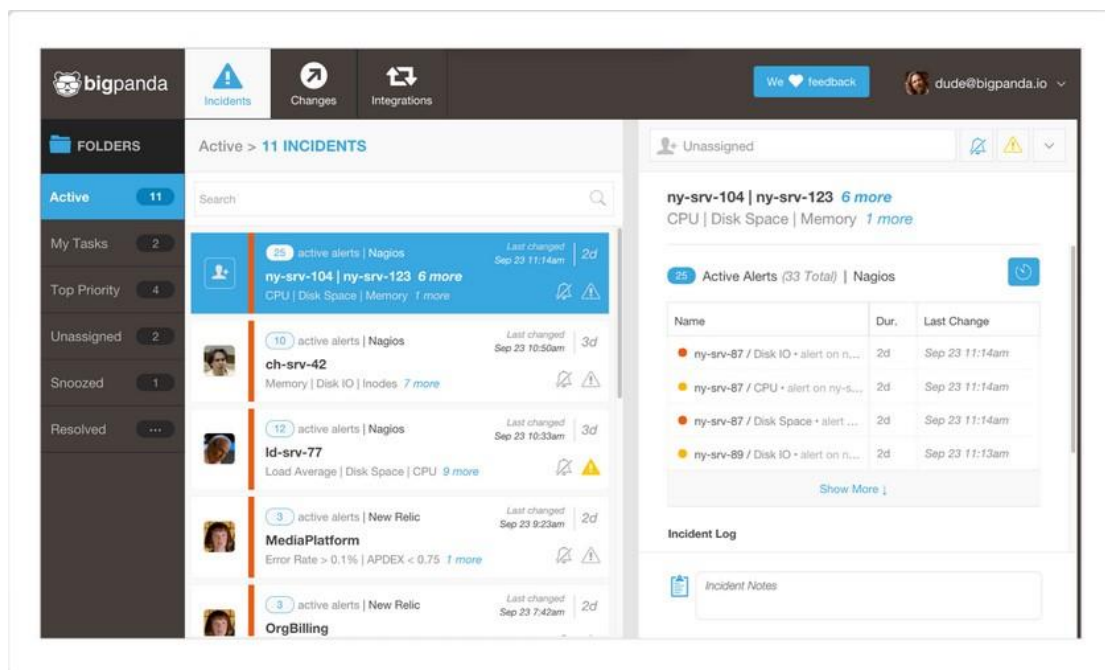
- Automatically detect and conduct root cause analysis
- Fully automatic processing of structured and unstructured data
- Reduce Alert Noise by more than 99%
- Improve time-to-repair by more than 45%

Loom Systems was founded in 2015 and is based in California, USA. The company was honored as Stevie® Award Winner in 2016 American Business Awards and has been selected as a 2016 Red Herring Top 100 Asia Winner. Among Loom Systems' customers are Taptica, Citrix, Amdocs and SM Madanes.



## Big Panda

BigPanda is a data science platform for centralizing and correlating all of the organization's IT alerts and transform them into actionable insights. It allows for automating IT event correlation, which helps IT, NOC and DevOps teams detect & resolve critical issues (allegedly) 90% faster.



BigPanda's flagship product is a SaaS-based data science platform for IT incident management that monitors, analyzes, and correlates machine alerts to create high-level IT incidents. It integrates with existing IT infrastructure monitoring tools, including traditional monitoring systems from HP and IBM along with others like New Relic, AppDynamics, Splunk, Nagios, Zabbix, Amazon CloudWatch, and more. The platform also integrates with several deployment and configuration management tools like Chef, Ansible, Puppet, and others.

The platform uses clustering algorithms to aggregate data across multiple monitoring systems, normalize them into a single consistent data model, and

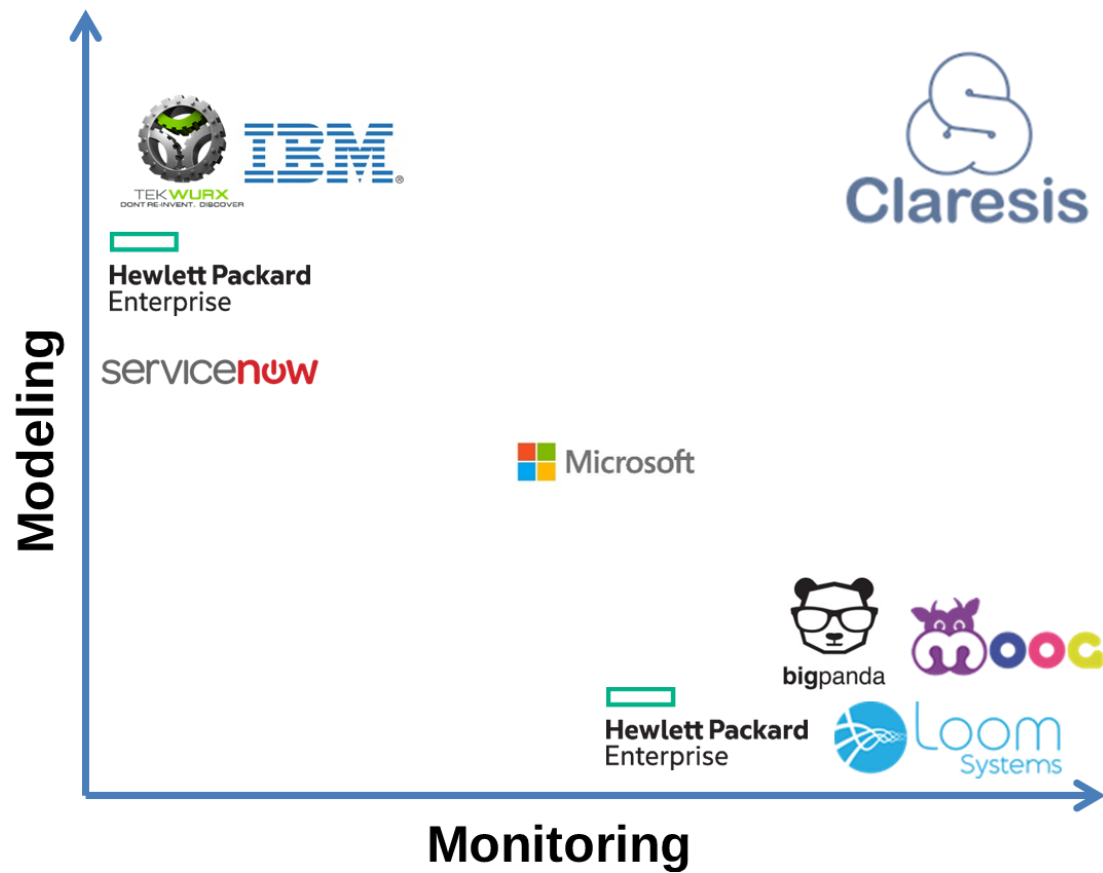


then compressing multiple alerts into consolidated incidents that are displayed based on their relative importance. The software is designed to display only the most important alerts and incidents to specific users based on their preferences using AutoShare rules and outbound sharing channels including Slack, HipChat, JIRA, ServiceNow, email, and SMS.

BigPanda was founded in 2012 and is based in California, USA and has an office in Tel Aviv. The company is venture-backed by Sequoia Capital, Mayfield, Battery Ventures and Pelion Venture Partners. Among BigPanda's customers are Gap, Wix, Playtica News Corp and more.



## COMPETITIVE EDGE



# BUSINESS MODEL

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## Target Market

Claresis' target market is organizations that are in need for a solution to manage their IT environment, with an emphasis on the following industries, in North America and Western Europe:

- Banking & finances
- Communications
- Manufacturing & natural resources

## Revenue Model

Claresis will charge an annual license fee in accordance with the size of the organization and the complexity of its IT systems.

## Distribution Channels

The company will make use of two distribution channels to sell Claresis to organizations:

1. **Direct Sales.** Using sales people, the company will directly contact relevant personnel in organizations and offers them to use Claresis.
2. **Business partners.** The company will partner with IT integrators and other relevant companies such as Ness who will push Claresis to their clients.

# GO-TO MARKET STRATEGY

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## Market Penetration Strategy

### Pilot & POC in Israel

Claresis will initially focus on the Israeli Market in order to:

- Launch in a relatively small (but solid) market and collect direct and continuous feedback from organizations and end-users in order to constantly improve Claresis and pivot as necessary
- Generate a solid client portfolio which will prove Claresis' potential to grow and succeed globally

The company has already made agreements upon initial pilot with two large Israeli companies – Bank Leumi (letter of interest available) and Maccabi Healthcare Services.

### US Launch

Upon successful pilot period in Israel, the company will launch Claresis globally, with focus on the US market.

In order to do so, the company will look for a 'middle man'/intermediary who possess strong connections with major organizations in the US, possibly a renowned lawyer/accountant. This person will help reach big US clients by introducing Claresis to the relevant personnel in the organization.

## Strategic Partnerships

The company has already partnered with big Israeli IT integrators Aman and DoITWise, and is expecting to partner with more, bigger integrators in the future.

## Marketing Plan

The purpose of the following marketing plan is to brand Claresis as a must-have system for every organization who deals with large, complex IT environments.



### **Exhibitions/Expos**

Attending IT exhibitions, such as TECHSPO<sup>11</sup>, is a great way to showcase Claresis, provide a solid understanding of the landscape, deliver useful insights into the competition, increase brand awareness, and most importantly – attract potential clients & business partners.



### **Public Relations**

The best way to generate awareness to a product is by creating significant press coverage through a PR campaign. The company will use the services of a professional PR and marketing company that is experienced in executing wide scale advertising campaigns for B2B companies.



### **LinkedIn Campaign**

The company will initiate a LinkedIn campaign in order to target key IT people in organizations.



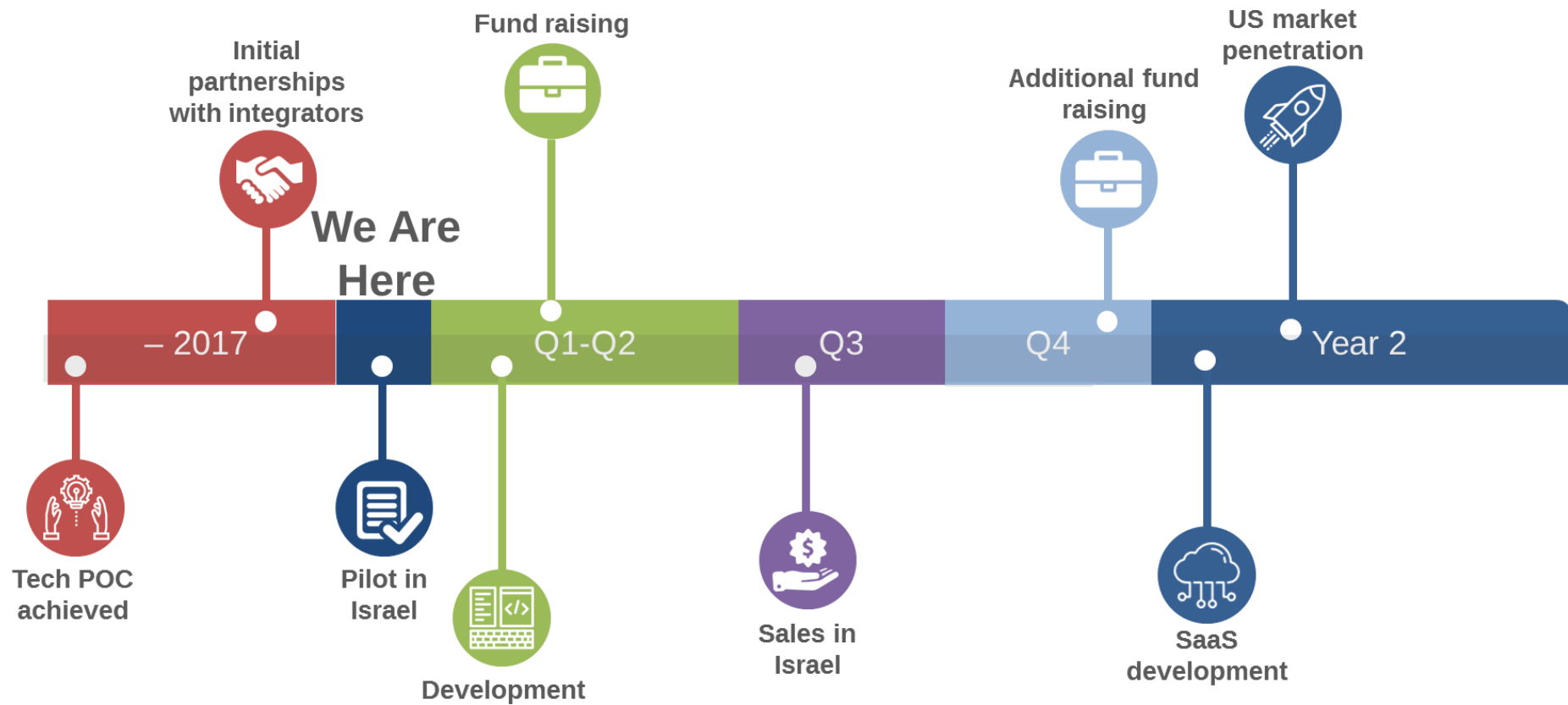
### **Online Advertisement**

Claresis will initiate media buying with display networks such as the Google Display Network or Facebook Ads.

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<sup>11</sup> <http://techspo.co/>

## TIMELINE



## FINANCIAL PLAN

The following financial plan represents the future prediction of the company's operations. The assumptions and projections are supported by the figures and strategies described in the business plan.

	Pilot in Israel		Sales in Israel		U.S Launch			
	Development							
CAPEX	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Software/hardware licenses	9,000	4,000	8,000	5,000	26,000	15,000	16,000	18,000
Office fixtures	15,000				15,000		15,000	
Website	5,000				5,000			
Branding		3,000			3,000			
Computers	18,000	8,000	16,000	10,000	52,000	30,000	32,000	36,000
<b>Total</b>	<b>\$47,000</b>	<b>\$15,000</b>	<b>\$24,000</b>	<b>\$15,000</b>	<b>\$101,000</b>	<b>\$45,000</b>	<b>\$63,000</b>	<b>\$54,000</b>

	Pilot in Israel Development		Sales in Israel		U.S Launch			
OPEX	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
<b>Bureaucracy &amp; Services</b>								
Consulting & services	4,500	22,500	4,500	4,500	36,000	75,073	156,555	205,993
Bookkeeping & accounting	2,250	2,250	2,250	4,750	11,500	27,202	64,343	152,196
<b>Office Expenses</b>								
Office Rent	15,000	15,000	15,000	15,000	60,000	94,615	270,000	270,000
Utilities	3,000	3,000	3,000	3,000	12,000	18,923	81,000	81,000
Communication	2,400	2,400	2,400	2,400	9,600	15,138	29,879	58,971
IT Services	1,800	1,800	1,800	1,800	7,200	11,354	22,409	44,228
Miscellaneous	1,500	1,500	1,500	1,500	6,000	9,462	18,674	36,857
Servers	-	-	-	-	15,000	23,654	46,685	92,142
<b>Other Expenses</b>								
Financial expenses	3,000	3,000	3,000	3,000	12,000	18,923	37,348	73,714
Travels			-		-	36,000	71,053	140,235
Vehicle expenses			-			48,000	192,000	384,000
<b>Total</b>	<b>\$33,450</b>	<b>\$51,450</b>	<b>\$33,450</b>	<b>\$35,950</b>	<b>\$154,300</b>	<b>\$378,344</b>	<b>\$989,946</b>	<b>\$1,539,336</b>

		Pilot in Israel		Sales in Israel		U.S Launch			
		Development							
	Work Force	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Management	CEO	30,000	30,000	30,000	30,000	120,000	216,000	388,800	699,840
Management	CTO	27,000	27,000	27,000	27,000	108,000	172,800	276,480	442,368
Management	VP sales	-	-	25,500	25,500	51,000	153,000	153,000	153,000
Management	CMO	25,500	25,500	25,500	25,500	102,000	153,000	153,000	153,000
Management	CFO	-	18,000	18,000	18,000	54,000	108,000	108,000	108,000
R&D	VP research & lab	-	-	25,500	25,500	51,000	102,000	102,000	102,000
R&D	Developer	120,000	120,000	120,000	144,000	504,000	921,600	1,152,000	1,497,600
R&D	QA	-	13,500	13,500	27,000	54,000	194,400	259,200	351,000
R&D	UX/UI designer	18,000	18,000	18,000	36,000	90,000	144,000	216,000	288,000
R&D	DevOps	-	39,000	39,000	39,000	117,000	234,000	234,000	234,000
Sales & Marketing	Presale engineer	-	-	12,000	12,000	24,000	216,000	504,000	864,000
Sales & Marketing	Sales person	-	-	18,000	18,000	36,000	540,000	972,000	1,620,000
General	Product manager	-	-	22,500	22,500	45,000	270,000	270,000	270,000
General	BizDev	-	-	18,000	18,000	36,000	216,000	216,000	216,000
General	Operators	-	-	24,000	24,000	48,000	216,000	288,000	360,000
General	Customer support	-	-	-	7,500	7,500	60,000	90,000	120,000
General	HR	-	-	-	-	-	42,000	42,000	84,000
General	Secretary	-	-	-	7,500	7,500	60,000	120,000	120,000
Total Expenses		\$220,500	\$291,000	\$436,500	\$507,000	\$1,455,000	\$4,018,800	\$5,544,480	\$7,682,808



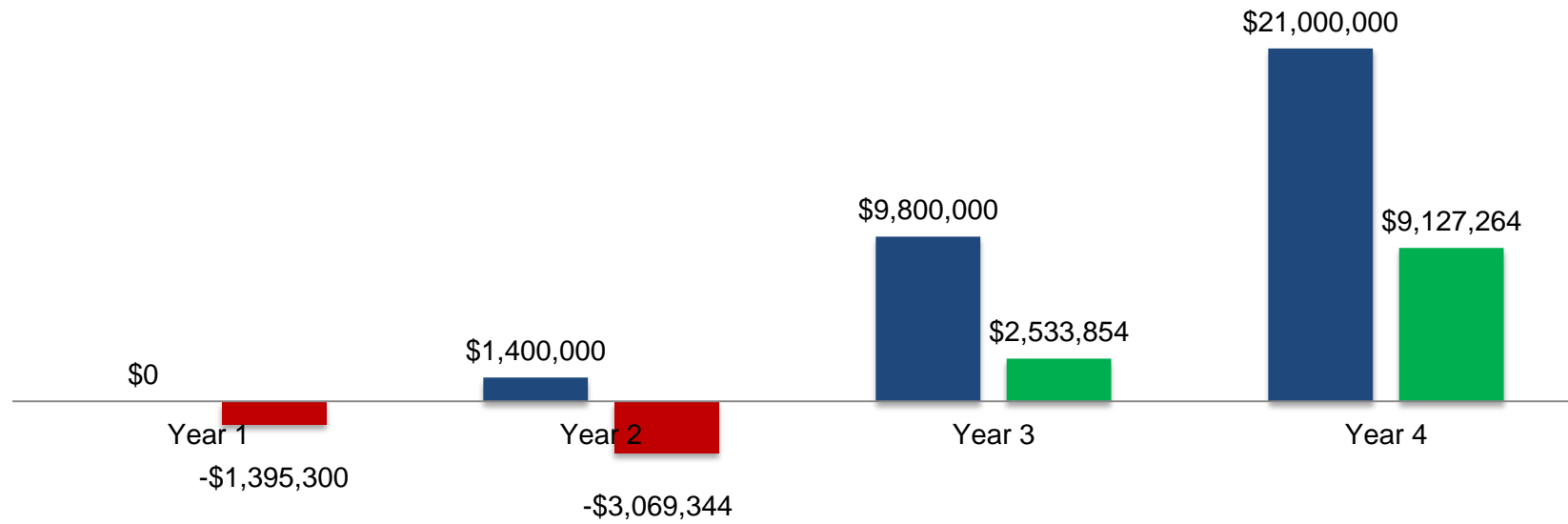
	Pilot in Israel Development		Sales in Israel		U.S Launch			
Marketing	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Conferences/expos			10,000	10,000	20,000	80,000	208,000	540,800
PR Campaign			30,000	30,000	60,000	350,000	500,000	700,000
Online Advertisement (inc. LinkedIn)			20,000	20,000	40,000	400,000	1,040,000	2,912,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$120,000</b>	<b>\$830,000</b>	<b>\$1,748,000</b>	<b>\$4,152,800</b>

	Pilot in Israel Development		Sales in Israel		U.S Launch			
Revenue	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Direct sales								
# of direct sales (for the year)	-	-	-	3	3	10	20	55
Total direct sales					3	13	33	88
Direct sales revenue	-	-	-		-	1,000,000	7,000,000	15,000,000
Indirect sales								
# of indirect sales (for the year)	-	-	-		-	5	10	28
Total indirect sales					-	5	15	43
Indirect sales revenue	-	-	-	-	-	400,000	2,800,000	6,000,000
Total accumulated sales	-	-	-	-	-	18	48	131
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,400,000</b>	<b>\$9,800,000</b>	<b>\$21,000,000</b>

	Pilot in Israel		Sales in Israel		U.S Launch			
CF	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Revenue	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$9,800,000	\$21,000,000
YoY growth			-			-	700%	214%
<b>Operating Expenses</b>								
Sales & Marketing	\$0	\$0	\$90,000	\$90,000	\$180,000	\$1,586,000	\$3,224,000	\$6,636,800
YoY growth			-		-	781%	103%	106%
% of revenue						113%	33%	32%
Research & Development	\$138,000	\$190,500	\$216,000	\$271,500	\$816,000	\$1,596,000	\$1,963,200	\$2,472,600
YoY growth			-		-	96%	23%	26%
% of revenue						114%	20%	12%
General & Administrative	\$33,450	\$51,450	\$97,950	\$115,450	\$298,300	\$1,242,344	\$2,015,946	\$2,709,336
YoY growth			-		-	316%	62%	34%
% of revenue						89%	21%	13%
CAPEX	\$47,000	\$15,000	\$24,000	\$15,000	\$101,000	\$45,000	\$63,000	\$54,000
YoY growth			-		-	-55%	40%	-14%
% of revenue						3%	1%	0%
Total Expenses	\$218,450	\$256,950	\$427,950	\$491,950	\$1,395,300	\$4,469,344	\$7,266,146	\$11,872,736
YoY growth			-		-	220%	63%	63%
% of revenue						319%	74%	57%
Free Cash Flow (Before Tax)	-\$218,450	-\$256,950	-\$427,950	-\$491,950	-\$1,395,300	-\$3,069,344	\$2,533,854	\$9,127,264
YoY growth			-		-	-	-183%	260%
% of revenue						-219%	26%	43%

## Yearly Cash Flow

■ Income ■ Free Cash Flow (Before Tax)



### Budget - 12 Months

	Before VAT
Capex	\$ 101,000
Opex	\$ 154,300
Personnel	\$ 1,455,000
Marketing	\$ 120,000
Unexpected	\$ 50,000
<b>Total Expenses</b>	<b>\$ 1,880,300</b>

**12 Month Budget**

