



W3UserNet

*A project to improve the effectiveness of European industry by
accelerating its commercial use of the World Wide Web*

Technical Business Plan

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The aim of the W3UserNet project is to improve the take-up and effective use of the World Wide Web by European business. In the long term the project has a stated aim of developing a self-sustaining business, using the Esprit project as "start-up" funds. This "Technical Business Plan" (technical in that it does not address such things as marketing plans in other than outline analysis) describes how this might be achieved.

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1. Executive Summary

This Technical Business Plan considers the original objective of the W3UserNet project and its further ambition to set up a viable ongoing business. It considers the target market implied by the project's goals, and then develops a franchise model for the business, and gives an overview of products and services that the project can initially offer and how they are intended to be packaged.

Note that this plan is intended as an initial statement of the nature and makeup of the business to help the project consortium assess its viability and co-ordinate the development of the project. It is not a complete business plan: further work will be required on areas such as marketing strategy, funding schemes and the legal framework of the business.

2. Objective

The aim of the W3UserNet project is to improve the take-up and effective use of the World Wide Web by European business. To achieve this, it has set the subsidiary goals of introducing unskilled business users to the benefits of the Web, of improving the effectiveness of existing "low-literacy" users, and of gathering and publicising user needs so that they can be better met. In the long term the project has a stated ambition of developing a self-sustaining business, using the Esprit project as "start-up" funds.

3. Target Market

Given the above goals, W3UserNet's target market is any business that wishes to use the web but does not have the skills or resources available to best exploit it. These businesses fall into three categories:

- SMEs (who generally do not have the skills or resources needed)
- Other businesses of any size who have low web literacy
- Trade organisations

3.1 *Small and Medium-sized Enterprises*

Within Europe there are over 12 million SMEs; the potential market here then is likely to be of the order of hundred of thousands and can be expected to expand. Examples of a typical target SME's needs for support in the area of the Web are:

- Help in finding a suitable business-oriented Internet Service Provider
- Help in getting started with the web, specifically aimed at promoting and improving the business
- Ongoing training to ensure the continuation of best practice
- Information on other businesses (for good ideas, co-operation agreements, etc.)
- Information on current technology and future trends (for business forecasts, making best use etc.)

3.2 *Larger businesses*

There are about 50,000 organisations currently in this second category; this market is shrinking as web literacy increases. The main business opportunity here is that many larger companies are:

- (a) disorganised, with local pockets of web usage rather than a corporate web strategy, and/or
- (b) initially keen, but see the effort needed to evolve web usage as a drain on key technical resources.

Typical initial needs of an organisation of this type are:

- Initial training of their training department (plus provision of materials)
- Specialised training for more technical members of the organisation
- Information on other businesses
- Information on current technology and future trends

3.3 Trade organisations

Trade organisations and the such like, while not the primary target can be used as channels to their members; a fast way of marketing W3UserNet to a large number of SMEs. By providing a suitable package that meets the needs of these organisations, it will be possible to use them as both direct and indirect advertising. Direct, in that some organisations will happily inform their members of our services if they themselves are happy; indirect in that the package we provide to these organisations can include services that their members will use (e.g. a trade forum, or a trade news service) and thus find out about us.

3.4 Repeat customers

In the longer term, we also need to provide services that will keep existing customers with us. If we do our job properly, then after a while the companies that originally joined us will no longer match the description given above as they will have been educated in how to make better use of the web. Hence, we need to plan for this and have products and services that will be useful on a continuing basis in order to maintain (and grow) our customer base as a business.

4. Business Model

The W3UserNet project will fulfil the aims set out above by creating a subscription-based organisation that aims to help European businesses make best use of the WWW and the Internet, through provision of supporting products and services and representation of their interests to other appropriate standards and industry bodies.

The organisation will be based on the idea of franchising, i.e. there will be a lightweight central body that is responsible for the common image and branding of the organisation, common services and co-ordination. This will sell the right to use the brand and services to franchisees across Europe who will then package and sell the services in a manner appropriate to their local market, while remaining within the guidelines and quality standards set by the central body.

This approach has a number of advantages:

- Low overhead costs and short start-up time for the business
- Franchisees have the flexibility to adjust to fit their local market, individual contacts and expertise
- There is a framework for future expansion (through the acquisition of further franchisees)

4.1 Role of the Franchiser

This small central organisation owns the brand and some shared products and services, and defines the broad marketing strategy of the business (in terms of target markets and packages of products and services appropriate to those markets). It then sells the right to use the brand and services to franchisees who sell on the defined packages in a way appropriate to their local market. It protects the brand through setting quality standards and performing inspections. The central organisation is funded by an annual fee for use of brand plus revenue from nominal values of centrally owned services.

The central organisation will hold a catalogue of the services offered by the central organisation, other franchisees and trusted third parties, along with the price that will be charged for the use of each service. As well as defining the prices of the products and services included in the basic packages, this provides a starting point for franchisees to find appropriate services for customising their local offering.

Initially, the franchiser will have a board of directors constituted from the members of the W3UserNet consortium and will be hosted and administered by a consortium member, thus minimising start-up overheads. It will mandate consortium members to do the work required and will pay for travel and meeting costs, plus development and marketing of the brand. If further funds remain, these will be

used to pay for development of new products and services. This method of operation will change in the future as and when the business grows to a sufficient size to justify a separate organisation.

4.2 Role of the Franchisees

Each franchisee makes use of the branding and sells on the agreed standard packages. Franchisees must:

- Use branding in line with central policy
- Offer all standard packages
- Ensure that all of these packages contain the agreed minimum set of products and services
- Conform to the quality and service standards set by the franchiser
- Pay the agreed fees for the services to the central organisation.

Aside from these points, packages can be augmented with additional services, and can be sold however the franchisee feels is appropriate for their market, e.g. basic membership “free” with an ISP subscription. Also, franchisees are free to offer their own services to clients recruited via W3UserNet.

4.3 Future development

Development of the organisation is anticipated in two areas: new franchisees, and new products and services. New franchisees will be sought when a market is identified and it is beyond the existing franchisees capability to exploit that market fully. Once the initial organisation has set itself up with a solid basis, it is expected that new franchisees will be sought to at least cover the regions of Europe not serviced by the existing partners, e.g. Italy, Spain, Portugal. One issue that will have to be resolved before this stage is reached is how to handle franchisees that drop out of the organisation, as the more franchisees we have, the more likely this is to happen. Specifically we must define how to handle the support required for existing customers and what obligations the ex-franchisee has to its customers and the W3UserNet organisation for what period of time.

New products and services will be required continually for W3UserNet to remain viable. Three sources are envisaged for these new services: development mandated by the franchising organisation and carried out either by a franchisee or another third party; development carried out independently by one or more franchisees and then provided to the organisation via the catalogue, and finished products and services bought in from a third party. While ideally development should remain within the organisation (to cut costs), the option of buying in remains as an acknowledgement of the speed with which the Web market develops and the breadth of products on offer. Franchisees developing new services are free to do so however they feel best, e.g. individually, co-operatively or on a “balanced effort” principle.

The expected mode of operation is that the central organisation will periodically review the services that W3UserNet is offering and will decide the general focus of the whole organisation. It will buy in or commission new products and services that are in line with that focus. The exact arrangement for payment for development of new services is to be arranged between the central organisation and the franchisee(s). Obvious possibilities are payment of a fixed price or for time and materials (i.e. normal contracting terms), or a royalties fee based on the usage of the service.

Additionally, once the focus has been defined, there is nothing to prevent a franchisee (or group of them) speculatively developing new products or services in line with this focus. They can then offer them to the central organisation (again under negotiated terms) for incorporation into the standard packages offered by W3UserNet. Alternatively, they may offer them directly to other franchisees as additional related products and services that can be sold along with the standard W3UserNet packages.

5. Products and Services

The following products and services will be developed initially by the project partners for the first commercial launch of W3UserNet. Feedback from users of these services, combined with market research and internal ideas will lead to the next development phase.

5.1 Interactive services

- **“Instant” web pages.** Web pages generated by the subscriber entering information via a form which is then combined with a template page layout. Statistics can also be provided to subscribers to indicate how often this page is visited.
- **Yellow pages search.** A publicly available search engine that searches subscriber details (on various categories) and presents the aforementioned instant web pages as the result of a hit. Subscribers will also have their page(s) added into other public search engines such as AltaVista.
- **Forums.** A newsgroup hierarchy hosted by W3UserNet covering business related topics, information about EC RFPs, calls for consortium partners etc. An added value service is for subscribers to have their own dedicated newsgroups (e.g. trade organisations can use this facility for disseminating information to their own members).

5.2 On-line information

- **The Bookmark.** A newsletter issued periodically, with business oriented editorial and pointers to the following information services:
- **Tech watch.** Reports on technical developments collated and presented with a non-technical editorial oriented towards analysing the business impacts of the developments.
- **Business watch.** Case studies to show how businesses can use the Internet effectively (and to highlight pitfalls).
- **Glossary.** A guide to all the jargon associated with the web.
- **Tool store.** Pointers to useful tools for new web users.

5.3 Support

- **Representation of interests.** W3UserNet will be collecting user needs via a variety of routes (online feedback, forum discussions, post training feedback etc.). These will be collated, published and passed on to standards bodies and manufacturers’ organisations.
- **Member discounts.** W3UserNet will, from time to time, negotiate bulk deals for members’ offers, e.g. with software or hardware producers, ISPs, book publishers etc.
- **Subscriber support service.** Support for users of W3UserNet’s services will be available via email (and possibly phone for an extra fee).

5.4 Training

- **Introduction.** A half day basic course to cover use of the web with emphasis on commercial use.
- **Getting started.** A two day “hands-on” course that results in a yellow pages entry for the business.
- **Advanced business use.** Further modules covering relevant business topics, e.g. advertising, secure electronic commerce etc.
- **Advanced technical issues.** Further modules with a technical focus, e.g. use of Java, integrating legacy systems etc.
- Selected training materials from the courses will be available on-line too.

6. Packaging of Products

The previous section lists the products and services that W3UserNet will produce. In order to market them effectively though, they need to be put together into packages that make sense for each target organisation type and for which we can charge an ongoing subscription fee. The initial set of packages that W3UserNet will provide is as follows:

6.1 Basic end-user subscription

This package will be offered at a guide price of 500 ECU per annum, and will include all of the services listed under 5.1, 5.2 and 5.3 above, plus a credit for one day's training on a franchisee's premises. Particular details of the package are:

- The automatic web pages will be limited to two pages having the same content but being in two languages of the subscriber's choice (they provide the translation not us), and of total size not more than 200KB.
- Only basic access statistics are provided for the web pages, i.e. a hit count.
- The subscriber gets access to all W3UserNet forums, but no dedicated forum of their own.
- Support is by email only.

This package will be offered by all franchisees and will not be split up. It provides a common entry point for the global marketing of W3UserNet.

6.2 Advanced subscription

The guide price for this package is 1500 ECU per annum. It offers the same as the basic subscription package with the following modifications:

- Up to 10 web pages, with a total size of 2MB and can customise their content (though no CGI scripts or other server-side executables will be allowed). They are still only intended to be yellow page entries.
- Full access statistics are provided to the subscriber.
- A forum of their own within the W3UserNet hierarchy.
- Phone support for any problems that they have with W3UserNet services.
- Four day's training credits.

All franchisees will sell this package. Additionally, they are free to sell on each of these extra services individually at rates negotiated with the subscriber (bearing in mind the cost of the package as a whole).

6.3 Trade organisation subscription

Trade organisations, chambers of commerce and the such like will be offered the advanced subscription by default, however they will be given the ability to earn themselves a free subscription by recruiting 20 of their own members to join W3UserNet. To facilitate this scheme, the organisations are allowed to offer W3UserNet membership at a 10% discount to their members (though the registration of these members is still handled directly by the responsible franchisee).

6.4 Additional chargeable services

The guideline prices given below are based on existing market prices. For training, the costs of organising the given course and the expected number of attendees are taken into account.

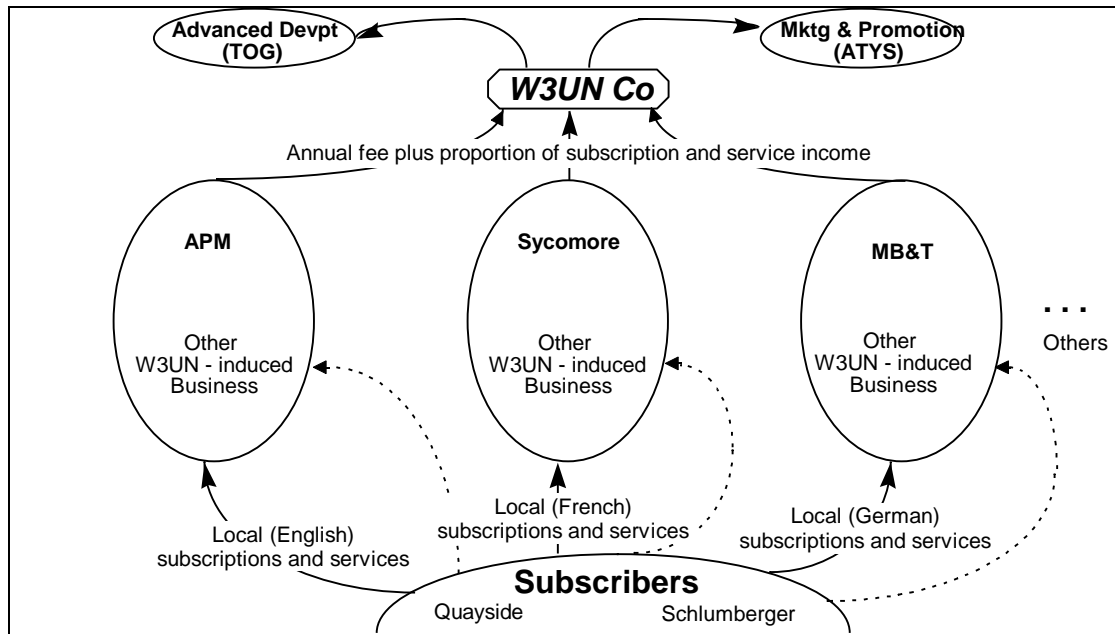
Item	Member Rates (in ecus)	Public Rates (in ecus)
½ day - Introduction to Internet	90	110
2 day - Getting Started	750	950
½ day - Technical tutorial	175	250
Private forum set-up	to be decided	to be decided
Reserving a domain name	50 ecus + local fee	50 ecus + local fee
Course held on subscriber's premises	by negotiation	by negotiation

7. Current partners

The current partners in the consortium and their possible roles within the emerging business:

APM	Local franchisee for UK. Local marketing. Developer of products and services.
Atys	Common marketing. Franchisee expansion.
MB&T	Local franchisee for Germany. Local marketing. Developer of products and services.
Quayside	Trial "small, less experienced" customer. Possible specialist provider of services.
Schlumberger	Trial "large, more experienced" customer. Possible provider of services.
Sycomore	Local franchisee for France. Local marketing. Developer of products and services.
TOG RI	Developer of products and services.

The following diagram summarises the above organisation and the funding scheme:



8. Requirements and Risks

To succeed in this plan it will be necessary to:

- Dedicate ourselves to producing a coherent and useful set of services as soon as possible
- View the project as a development path for the end business
- Instil a much greater sense of drive and urgency into the project
- Market ourselves effectively both globally and locally.

The risks are:

- An over-slow, laid back approach “it’s an Esprit project not a business”
- Hindrance of poor project inter-communication.
- Lack of co-ordination in development of our service portfolio
- Inability to respond to fierce competition in a fast-moving market.

9. Timeline

This section gives a broad indication of major checkpoints on the way to implementing this business plan. Specific actions to achieve these are assigned and tracked by steering committee meetings, and work to reach many of the checkpoints has already begun.

By date	We will
Feb 97	Establish internal newsgroups for improving co-ordination and speed of communication
Mar 97	Open a pilot service for our initial contacts
Mar 97	Identify market potential and competition for our services, and determine final pricing.
Mar 97	Have a programme of actions and events to establish the business and brand in the market
Mar 97	Have a programme of introductory courses planned
Apr 97	Begin our marketing programme
Jun 97	Incorporate the franchising organisation
Jun 97	Launch the full service
Jun 97	Release the user requirements document collated from feedback during the pilot phase
Jul 97	Using initial feedback, prepare a plan for future products, services and events

10. Profit and Loss

A range of profit and loss projections are included in Excel format as an appendix.

W3UN PnL Forecast			Worst						
<i>All prices in ECU</i>	Price	Volume	1997 Revenue	1998 Volume	1998 Revenue	Volume	1999 Revenue	Volume	2000 Revenue
Income									
Subscriptions									
Free subs with training	0	50	0	10		20		30	
Free subs (no training)	0	50	0	0		0		0	
Basic subs	500	50	25,000	200	100,000	400	200,000	600	300,000
Basic subs (via orgs)	450	0	0	160	72,000	320	144,000	480	216,000
Advanced subs	1,500	10	15,000	50	75,000	100	150,000	200	300,000
Advanced subs (via orgs)	1,350	0	0	40	54,000	80	108,000	120	162,000
Subscription subtotal		160	40,000	460	301,000	920	602,000	1,430	978,000
Training									
Intro (subs)	90	50	4,500	300	27,000	500	45,000	750	67,500
Hands on (subs)	750	100	75,000	200	150,000	500	375,000	750	562,500
Advanced (subs)	175	150	26,250	500	87,500	1,500	262,500	3,000	525,000
Subs training given		300 pd	105,750	800 pd	264,500	2000 pd	682,500	3375 pd	1,155,000
(less credits at 100% takeup)		290 pd	102,225	760 pd	251,275	1520 pd	518,700	2480 pd	848,711
Subs training income			3,525		13,225		163,800		306,289
Intro (non-subs)	110	300	33,000	500	55,000	1,000	110,000	1,000	110,000
Hands on (non-subs)	950	50	47,500	100	95,000	100	95,000	100	95,000
Advanced (non-subs)	250	100	25,000	200	50,000	250	62,500	300	75,000
Non-subs training income		300 pd	105,500	550 pd	200,000	825 pd	267,500	850 pd	280,000
Training subtotal		600 pd	109,025	1350 pd	213,225	2825 pd	431,300	4225 pd	586,289
Additional services									
Domain name registration	50	20	1,000	50	2,500	100	5,000	150	7,500
Other (e.g. customisation)	100	10	1,000	100	10,000	250	25,000	500	50,000
Services subtotal			2,000		12,500		30,000		57,500
External funding									
EC funding			490,000		245,000		0		0
Implicit partner subsidy			18,500		0		0		0
Other funding			0		0		0		0
Funding subtotal			508,500		245,000		0		0
Total Income			659,525		771,725		1,063,300		1,621,789

W3UN PnL Forecast <i>All prices in ECU</i>			Worst		1999		2000	
	Price	Volume	1997 Revenue	1998 Volume	1998 Revenue	Volume	Revenue	Volume

Expenditure

Staff (including benefits & legal obligations). N.B. actual staff may be seconded part-time from partners

Management	100,000	0	0	1	100,000	1	100,000	1	100,000
Marketing	80,000	0	0	1	80,000	1	80,000	1	80,000
Sales	60,000	0	0	1	60,000	2	120,000	2	120,000
Engineers	60,000	0	0	1	60,000	2	120,000	2	120,000
Customer support	35,000	0	0	1	35,000	2	70,000	2	70,000
Training	60,000	0	0	2	120,000	4	240,000	7	420,000
Admin	30,000	0	0	1	30,000	1	30,000	2	60,000
Project-funded staff	85,000	4	340,000	2	170,000	0	0	0	0
Staff subtotal		4	340,000	10	655,000	13	760,000	17	970,000

Product overheads

Hands on training			15,750		31,500		63,000		89,250
Other training			19,800		49,500		107,250		166,650
Sub-contracts			0		0		0		0
Product subtotal			35,550		81,000		170,250		255,900

Sales & marketing overheads

Marketing materials			2,100		2,100		2,100		2,100
Roadshow organisation			10,000		10,000		10,000		10,000
Sales subtotal			12,100		12,100		12,100		12,100

Other project overheads

Reloc/Recruit			0		97,000		55,000		42,000
Travel			39,500		50,000		60,000		70,000
Bad debts at 1% of subs			400		3,010		6,020		9,780
Other subtotal			39,900		150,010		121,020		121,780

W3UN PnL Forecast			1997	Worst 1998	1999	2000	
<i>All prices in ECU</i>	Price	Volume	Revenue	Volume	Revenue	Volume	Revenue
Shared overheads							
Rent			30,000	30,000	30,000	30,000	30,000
Insurance			7,500	7,500	7,500	7,500	7,500
Utilities & Telecomms			35,700	35,700	35,700	35,700	35,700
Materials & Software			22,800	22,800	22,800	22,800	22,800
Finance, Legal, Audit etc.			8,500	8,500	8,500	8,500	8,500
Maintenance			12,000	12,000	12,000	12,000	12,000
Contingency			0	0	0	0	0
Depreciation			52,000	52,000	52,000	52,000	52,000
Shared subtotal			168,500	168,500	168,500	168,500	168,500
Total expenditure			596,050	1,066,610	1,231,870		1,528,280
Profit/Loss			63,475	-294,885	-168,570		93,509

W3UN PnL Forecast <i>All prices in ECU</i>	BreakEven								
	Price	Volume	1997 Revenue	Volume	1998 Revenue	Volume	1999 Revenue	Volume	2000 Revenue
Income									
Subscriptions									
Free subs with training	0	50	0	10		30		50	
Free subs (no training)	0	50	0	0		0		0	
Basic subs	500	50	25,000	400	200,000	600	300,000	1,000	500,000
Basic subs (via orgs)	450	0	0	200	90,000	600	270,000	1,000	450,000
Advanced subs	1,500	10	15,000	75	112,500	200	300,000	200	300,000
Advanced subs (via orgs)	1,350	0	0	50	67,500	150	202,500	250	337,500
Subscription subtotal		160	40,000	735	470,000	1,580	1,072,500	2,500	1,587,500
Training									
Intro (subs)	90	50	4,500	500	45,000	1,000	90,000	1,500	135,000
Hands on (subs)	750	100	75,000	300	225,000	500	375,000	1,000	750,000
Advanced (subs)	175	150	26,250	1,000	175,000	3,000	525,000	4,000	700,000
Subs training given		300 pd	105,750	1350 pd	445,000	3000 pd	990,000	4750 pd	1,585,000
(less credits at 100% takeup)		290 pd	102,225	1140 pd	375,778	2720 pd	897,600	4000 pd	1,334,737
Subs training income			3,525		69,222		92,400		250,263
Intro (non-subs)	110	300	33,000	500	55,000	1,000	110,000	1,000	110,000
Hands on (non-subs)	950	50	47,500	100	95,000	100	95,000	100	95,000
Advanced (non-subs)	250	100	25,000	200	50,000	250	62,500	300	75,000
Non-subs training income		300 pd	105,500	550 pd	200,000	825 pd	267,500	850 pd	280,000
Training subtotal		600 pd	109,025	1900 pd	269,222	3825 pd	359,900	5600 pd	530,263
Additional services									
Domain name registration	50	20	1,000	50	2,500	100	5,000	150	7,500
Other (e.g. customisation)	100	10	1,000	100	10,000	250	25,000	500	50,000
Services subtotal			2,000		12,500		30,000		57,500
External funding									
EC funding			490,000		245,000		0		0
Implicit partner subsidy			18,500		0		0		0
Other funding			0		0		0		0
Funding subtotal			508,500		245,000		0		0
Total Income			659,525		996,722		1,462,400		2,175,263

W3UN PnL Forecast <i>All prices in ECU</i>	Price	Volume	BreakEven		1997		1998		1999		2000	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue		

Expenditure

Staff (including benefits & legal obligations). N.B. actual staff may be seconded part-time from partners

Management	100,000	0	0	1	100,000	1	100,000	1	100,000
Marketing	80,000	0	0	1	80,000	1	80,000	1	80,000
Sales	60,000	0	0	1	60,000	2	120,000	2	120,000
Engineers	60,000	0	0	1	60,000	2	120,000	2	120,000
Customer support	35,000	0	0	1	35,000	2	70,000	2	70,000
Training	60,000	0	0	2	120,000	4	240,000	6	360,000
Admin	30,000	0	0	1	30,000	1	30,000	2	60,000
Project-funded staff	85,000	4	340,000	2	170,000	0	0	0	0
Staff subtotal		4	340,000	10	655,000	13	760,000	16	910,000

Product overheads

Hands on training			11,464		30,571		45,857		84,071
Other training			13,800		50,600		120,750		156,400
Sub-contracts			0		0		0		0
Product subtotal			25,264		81,171		166,607		240,471

Sales & marketing overheads

Marketing materials			2,100		2,100		2,100		2,100
Roadshow organisation			10,000		10,000		10,000		10,000
Sales subtotal			12,100		12,100		12,100		12,100

Other project overheads

Reloc/Recruit			0		97,000		55,000		30,000
Travel			39,500		50,000		60,000		70,000
Bad debts at 1% of subs			400		4,700		10,725		15,875
Other subtotal			39,900		151,700		125,725		115,875

W3UN PnL Forecast <i>All prices in ECU</i>	Price	Volume	BreakEven			
			1997 Revenue	1998 Volume Revenue	1999 Volume Revenue	2000 Volume Revenue
Shared overheads						
Rent			30,000	30,000	30,000	30,000
Insurance			7,500	7,500	7,500	7,500
Utilities & Telecomms			35,700	35,700	35,700	35,700
Materials & Software			22,800	22,800	22,800	22,800
Finance, Legal, Audit etc.			8,500	8,500	8,500	8,500
Maintenance			12,000	12,000	12,000	12,000
Contingency			0	0	0	0
Depreciation			52,000	52,000	52,000	52,000
Shared subtotal			168,500	168,500	168,500	168,500
Total expenditure			585,764	1,068,471	1,232,932	1,446,946
Profit/Loss			73,761	-71,749	229,468	728,317

W3UN PnL Forecast <i>All prices in ECU</i>			1997		Best 1998		1999		2000	
	Price	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue	
Income										
Subscriptions										
Free subs with training	0	50	0	20		50		100		
Free subs (no training)	0	50	0	0		0		0		
Basic subs	500	100	50,000	500	250,000	1,000	500,000	2,000	1,000,000	
Basic subs (via orgs)	450	0	0	400	180,000	1,000	450,000	2,000	900,000	
Advanced subs	1,500	50	75,000	250	375,000	750	1,125,000	1,000	1,500,000	
Advanced subs (via orgs)	1,350	0	0	200	270,000	500	675,000	1,000	1,350,000	
Subscription subtotal		250	125,000	1,370	1,075,000	3,300	2,750,000	6,100	4,750,000	
Training										
Intro (subs)	90	500	45,000	2,000	180,000	5,000	450,000	10,000	900,000	
Hands on (subs)	750	100	75,000	500	375,000	1,000	750,000	2,000	1,500,000	
Advanced (subs)	175	1,000	175,000	4,500	787,500	7,500	1,312,500	15,000	2,625,000	
Subs training given		950 pd	295,000	4250 pd	1,342,500	8250 pd	2,512,500	16500 pd	5,025,000	
(less credits at 90% takeup)		450 pd	139,737	2502 pd	790,338	6480 pd	1,973,455	11160 pd	3,398,727	
Subs training income			155,263		552,162		539,045		1,626,273	
Intro (non-subs)	110	1,000	110,000	3,000	330,000	7,500	825,000	15,000	1,650,000	
Hands on (non-subs)	950	50	47,500	250	237,500	400	380,000	500	475,000	
Advanced (non-subs)	250	1,000	250,000	1,500	375,000	2,000	500,000	2,500	625,000	
Non-subs training income		1100 pd	407,500	2750 pd	942,500	5550 pd	1,705,000	9750 pd	2,750,000	
Training subtotal		2050 pd	562,763	7000 pd	1,494,662	13800 pd	2,244,045	26250 pd	4,376,273	
Additional services										
Domain name registration	50	100	5,000	250	12,500	500	25,000	1,500	75,000	
Other (e.g. customisation)	100	100	10,000	500	50,000	1,000	100,000	2,000	200,000	
Services subtotal			15,000		62,500		125,000		275,000	
External funding										
EC funding			490,000		245,000		0		0	
Implicit partner subsidy			18,500		0		0		0	
Other funding			0		0		0		0	
Funding subtotal			508,500		245,000		0		0	
Total Income			1,211,263		2,877,162		5,119,045		9,401,273	

W3UN PnL Forecast <i>All prices in ECU</i>			1997		Best 1998		1999		2000	
	Price	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue	

Expenditure

Staff (including benefits & legal obligations). N.B. actual staff may be seconded part-time from partners

Management	100,000	0	0	1	100,000	2	200,000	3	300,000
Marketing	80,000	0	0	1	80,000	1	80,000	1	80,000
Sales	60,000	0	0	1	60,000	2	120,000	2	120,000
Engineers	60,000	0	0	1	60,000	2	120,000	2	120,000
Customer support	35,000	0	0	2	70,000	3	105,000	4	140,000
Training	60,000	0	0	5	300,000	10	600,000	20	1,200,000
Admin	30,000	0	0	1	30,000	2	60,000	4	120,000
Project-funded staff	85,000	4	340,000	2	170,000	0	0	0	0
Staff subtotal		4	340,000	14	870,000	22	1,285,000	36	2,080,000

Product overheads

Hands on training			8,250		41,250		77,000		137,500
Other training			63,000		198,000		396,000		765,000
Sub-contracts			0		0		0		0
Product subtotal			71,250		239,250		473,000		902,500

Sales & marketing overheads

Marketing materials			2,100		2,100		2,100		2,100
Roadshow organisation			10,000		10,000		10,000		10,000
Sales subtotal			12,100		12,100		12,100		12,100

Other project overheads

Reloc/Recruit			0		140,000		117,000		159,000
Travel			39,500		50,000		60,000		70,000
Bad debts at 0.20% of subs			250		2,150		5,500		9,500
Other subtotal			39,750		192,150		182,500		238,500

W3UN PnL Forecast <i>All prices in ECU</i>	Price	Volume	1997		Best 1998		1999		2000	
			Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume
Shared overheads										
Rent			30,000		30,000		30,000		30,000	
Insurance			7,500		7,500		7,500		7,500	
Utilities & Telecomms			35,700		35,700		35,700		35,700	
Materials & Software			22,800		22,800		22,800		22,800	
Finance, Legal, Audit etc.			8,500		8,500		8,500		8,500	
Maintenance			12,000		12,000		12,000		12,000	
Contingency			0		0		0		0	
Depreciation			52,000		52,000		52,000		52,000	
Shared subtotal			168,500		168,500		168,500		168,500	
Total expenditure			631,600		1,482,000		2,121,100		3,401,600	
Profit/Loss			579,663		1,395,162		2,997,945		5,999,673	