Magic.com

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  Group 2

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Outline

• Introduction
• Business model
• Business operation
• Website / system
• Revenue model
• Feasibility analysis
• People are always work hard, and they just simply relax in leisure time
Introduction

• Magic is very attractive, creative and interesting for everyone
Introduction

• Magic.com
everyone can appreciate and learn magic anytime
Introduction

• Potential users
  – Places where need the show
  – People who like magic
Business model

- Major services
- Other services
Business model

• Major services
  – Props selling
  – Activities
Business model

• Other services
  – Magic camps
  – Games
  – Online course
Business operation

• Organization

CEO

Marketing

IT

Web design & maintain

Course & Training

Course project

Administration

Video purchase
Business operation

• Department operations
  – CEO
    • Overall operating the business of company.
    • Making strategy for all situation.
    • Also take responsibility for Marketing affairs.
  – Course & Training:
    • Designing the on-line course.
    • Planning every kind of activities.
Business operation

• Department operations
  – IT
    • Designing and maintaining the on-line information system.
  – Administration:
    • Running the chores in the company.
System / website

• Website - Homepage

Logo
Menu
Log in
News
Activities
Content
System / website

- Website - Video
System / website

- Website - Props

Log in

Props list

Props information

Props picture
System / website

- Website - Technology
  - HTML: Content
  - CSS: Design style
  - JavaScript: Effects
  - PHP: Member system
  - Flash: Video format
System / website

• **System**
  – Server OS: Linux
  – Mail: Google mail
  – Web server: Apache
  – Database server: MySQL

• **Co-location**
  – For reducing maintain cost
Revenue model

• Major services
  – props selling
    • (selling price - props cost) * (props numbers)
  – Activities
    • (ticket price * audience numbers) - (cost of shows)
Revenue model

- Others services
  - Magic camps
  - Games
  - Online course
Feasibility analysis

- Fixed cost
- Variable cost
- Revenue
- Net income
Feasibility analysis

• Fixed cost
  – Office
    • Rental = $11,000 NT
    • 20 pings(坪)
      – $550NT for one ping in Taichung
    • Total rental costs = $132,000
  – Office equipment = $300,000
  – $132,000 + $300,000 = $432,000/year
Feasibility analysis

• Office cost
  – Equipment
    • Computers (include screens) * 9 = $180,000
    • Photographic equipment = $100,000
  – Total equipment costs = $280,000
Feasibility analysis

• Variable cost
  – Personnel costs = $243,000/month
    • CEO (Marketing) = $40,000/month *1
    • IT = $28,000/month *1
  – Courses & training
    • Manager = $35,000/month *1
    • Magician = $30,000/month *3
  – Administration
    • Administration = $25,000/month *1
    • Procurement = $25,000/month *1
  – Total personnel costs = $2,916,000/year
Feasibility analysis

- Props selling costs / month

<table>
<thead>
<tr>
<th>Price</th>
<th>Cost</th>
<th>Number</th>
<th>Total cost</th>
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<tbody>
<tr>
<td>Less than 200</td>
<td>50</td>
<td>102</td>
<td>5,100</td>
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<tr>
<td>200 ~ 500</td>
<td>80 ~ 100</td>
<td>13</td>
<td>1,300</td>
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<td>500 ~ 1,000</td>
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<tr>
<td>More than 1,000</td>
<td>200 ~ 300</td>
<td>6</td>
<td>1,500</td>
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</table>

Total magical props costs: $105,600
Feasibility analysis

- Daily running costs: $12,000/month
  - Electrical fee: $10,000/month
  - Water fee: $500/month
  - Telephone fee: $500/month
  - Stationery: $1,000/month

- Total Daily running costs: $144,000/year
Feasibility analysis

• Go around schools costs=36,000/month
  – Four activities a month
  – Rental: $1,000/hr * 2hr * 4
  – Part-time workers: $100/hr * 2hr * 2 * 4
  – Field distribution: $1,000 * 4
  – Promotion (posters): $200/sheet * 10 * 4

• Total Activities costs: $432,000/year
Feasibility analysis

- Magic shows costs: $12,000/month
  - Props depreciation:
    $4,000/show * $5 shows/week = $20,000/week
  - Rental: $10,000 * 5/week
- Total Magic shows costs: $3,640,000/year
Feasibility analysis

- Online courses costs:
  - $300/per video and 1 video/week
  - $300 * 52 = $15,600

- Total online courses costs = $15,600
Feasibility analysis

• Revenue:
  – Activities (community / promotion)
    • Go around schools (association)
      2hr/day * $50/person * 20 people = $2,000
    • $2,000 * 5 games/week
    • $10,000 * 52 = $520,000
Feasibility analysis

- Revenue:
  - magic shows
    - By ourselves
      $\$300 \times 80 \times 5 \times 52 = \$6,240,000$
    - Be invited to performance
      $\$2,500/\text{hr} \times 2\text{hr} \times 3 \times 52 = \$780,000$
Feasibility analysis

• Magical props revenue

<table>
<thead>
<tr>
<th>Price</th>
<th>Number</th>
<th>Revenue</th>
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<tbody>
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<td>Less than 200(150)</td>
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<td>4,500</td>
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<tr>
<td>More than 1000(2000)</td>
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<td>12,000</td>
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• Total props selling revenue: $436,200 per year
Feasibility analysis

- Total cost for the first year: $8,415,200
- Total revenue for the first year: $7,976,200
- Net income for the first year:
  
  \[
  \text{Total revenue} - \text{Total cost} = \text{Net income} \\
  $7,976,200 - $8,415,200 = (-$439,000)
  \]
End