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Stop and Serve

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SENIOR THESIS APPROVAL

This Honors thesis entitled

"Stop and Serve"

written by

Nathan J. Peace

and submitted in partial fulfillment of
the requirements for completion of
the Carl Goodson Honors Program
meets the criteria for acceptance
and has been approved by the undersigned readers.

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April 16, 2012

STOP AND SERVE

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Executive Summary

Stop and Serve will be the first to sell a fully functioning service social media website to specific organizations, companies, and churches. Furthermore, we follow up with our product by providing our customized service and necessary server space.

With our product, a fully functioning social media website, users can post various needs (such as helping mow the lawn, pay for medical bills, watch animals, etc.), without limit, and other users help meet those needs. To encourage participation, Stop and Serve websites require users to connect with already existing social media so that each user who has a need met will be required to post a statement of gratitude to whoever met the need (unless meant to be anonymous).

Each site will be somewhat generic and somewhat unique for each organization. In other words, each website made can only be used by users that the client allows. Therefore, the resulting site is semi-public and semi-private. It is public to the community that the organization allows but private to anyone else or anyone outside the organization.

And what will stand out to our clients, to organizations, is that Stop and Serve connects, challenges, and helps form culture in their communities:

It CONNECTS people (employees, members, etc.) within communities with below surface level information and an understanding of openness and respect. It CHALLENGES users within communities to go beyond membership and beyond employment, by actually making a difference with the people that they share a natural relationship with. It FORMS CULTURE in communities by uniting the individuals when they share personal information and when they meet the needs of others.

And because of those three distinguishing and selling points, Stop and Serve will become necessity for companies (such as Tyson Foods, PepsiCo, etc.) and organizations (such as the Willowcreek Community Association, large churches, etc.) that are seeking to build a specific culture within their environments because they realize the importance and efficiency of a culture within a community.

Stop and Serve will sell unique websites to organizations for a monthly or annual fee that is determined by the size of the community open to the site. Furthermore, we will charge an initial set up fee that simply covers the cost of any unique changes and logos. And last, we will make money from advertisements on our sites that are specifically tailored for the organizations using the site.

Although there are similar competitive websites and companies, showing the potential success of the business, all of the competition has fatal flaws and are limiting themselves to specific clients. However, we have realized that organizations, churches, non-profits, and even the largest companies are all seeking to build a culture within their communities and Stop and Serve will help meet that need. In fact, because of recent books and success stories, the idea of 'culture making' within businesses is drastically increasing and Stop and Serve will capitalize off of the movement.

To begin this unique culture and service provider, Stop and Serve is an investment of $250,000 in exchange for 40% of the company.

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Company Overview

Vision

Stop and Serve[2] seeks to provide a simple product that connects, challenges, and forms culture within communities by providing customized solutions using social media.

Mission

We have a three part mission: 1) to be the site for users that encourages participation, openness and results, 2) to be a site for churches and organizations to help build culture within their specific communities, and 3) to be a company that has a culture that not only encourages service externally, but service internally between our own employees and relationships.

History

Stop and Serve is a new idea with little history. As one observes with the Internet, the growing importance of social media is obvious. And as one observes the world, the physical needs of neighbors and friends abroad are obvious. Stop and Serve connects the two. However, it does not encourage service on a large scale, but instead with smaller, more personal groups where it would be more likely to happen. As a result of our small group focus, we will innately make a difference on the large scale and will connect, challenge, and form culture internationally.

Current Status

Currently, Stop and Serve is in the research and development stage. We have a detailed plan that is leading our movement that will allow us to form a site that meets, and may even surpass our vision. Furthermore, we are seeking a designer we can hire to build the website and are also searching for a loan that can cover the initial website expenses and salary expenses.

Future Possibilities

However, our vision encourages more exciting possibilities and allows us to expand in the future to new ideas.

First, it allows for the development of a smart phone and tablet app. These apps will allow us to more instantly connect, challenge, and form culture and may even allow users to receive alerts about specific needs.

Second, an aspect of connecting, challenging, and forming culture in communities may lead us to research and develop social media sites for specific communities that go far beyond that of Facebook and allows each organization to have their very own social media website.

Still, whatever our future holds, at our core will be to provide simple solutions to connecting, challenging, and forming culture in communities through the use of social media and we have only glimpsed its full potential.

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[2] Appendix B

Company Goals

- To provide an easy to use service for both large and small organizations
- To be used by a variety of organizations (e.g. not merely churches, and not merely companies), but to be used by a variety of communities
- To aid the formation and the culture of communities by connecting, challenging, and forming culture with its individuals
- To continually develop new ideas that will use social media to further culture within organizations
- To take advantage of already existing social media to encourage service and provide free advertisement
- To form a reputation as a product that provides a necessary catalyst for building culture within communities

Measurable Objectives

- $250,000 in investments in exchange for 40% of the company
- Successful Beta test of a generic website by the end of Summer 2012
- Final version of website ready by the end of the year 2012
- 120 clients by the end of the first year
- 500 new clients by the end of the second year
- 1,125 new clients by the end of the third year
- 2,000 new clients by the end of the fourth year
- 3,125 new clients by the end of the fifth year
- Positive net income within the second year
- A smart phone and tablet application by the second year

Strategy

We have a five-part strategy that will ensure an atmosphere that fosters success and will further Stop and Serve:

- **Vision** – our vision is the driving force of Stop and Serve and effects every decision we make. Basically, it is our litmus test, and if something aids that vision and helps it become a reality, we do it; if not, then we ignore whatever idea or opportunity it may be and move on. In doing so, we will be a singularly focused business and will make our vision our obsession, ensuring that we not only meet, but also even surpass what it entails.
- **Goals** – and to foster our realization of that vision we have developed overly detailed goals to give us a specific and concrete objective to aim for. The vision is relatively abstract but the goals allow concrete points to aim at. These goals are obtainable but are not easy and obligate Stop and Serve to stay focused and stretch to obtain them.
- **Implement** – without implementation our company would never be realized. We have goals, we have a vision, but now we must implement those ideas into a reality so that we can meet and fulfill those goals and vision.
- **Evaluate** – a critical step for us will be to constantly evaluate two aspects: 1) where we are in relation to our vision, and 2) are we meeting our goals and why or why not. With this constant evaluation, we will ensure that we are on target, and quickly adjust if we are off or if an aspect of the company or decisions is side tracked.
- **Adjust** – evaluation is useless without adjustment. We will not only analyze our current status as compared to our goals, but actually adjust how we are conducting ourselves in order to continue success our rectify the failure.

Market and Competitive Analysis

Market

There are over 30,000,000 businesses,[3] over 1,500,000 non-profits,[4] over 300,000 churches,[5] and over 4,000 colleges in America[6] and we need about 191 to make a profit. In only America, we have a market of about 32,000,000 organizations that we consider potential clients and we need only 0.0006% of these potential clients to make a profit.

And all of these groups have a culture. A majority has a culture of 1,000 or less, but 20% have a natural culture of over 1,000 people. And because of a recent culture movement due to books by Andy Crouch and Malcolm Gladwell,[7] these companies, beginning with the largest and most successful are searching for new ways to make culture in their community. In fact, recently, CEO of Tyson Foods Donny Smith spoke about his primary job in managing the Fortune 500 Company is to make a community with a distinct culture.[8] Similarly, District Manager of Frito Lay Anthony Kales revealed that his priority is to make culture within Frito Lay, and find people that mesh with that culture.[9]

In short, large companies and large successful churches are beginning to focus on their individual cultures, and Stop and Serve is meant for them. And as a result of these large companies' interest into it and success with it, smaller companies will begin adopting their movements, and Stop and Serve would like to align ourselves in the middle of this paradigm shift.

Furthermore, evidence of the potential market is the willingness for companies to spend money on positions with the point of culture making, particularly at universities and larger corporations.

However, the entire market is more than large corporations with thousands within their community, but also smaller groups and even organizations such as chapters of Boy Scouts or Alcoholics Anonymous. And to determine the market's potential, we researched and applied the 80/20 principle. This principle reveals that statistically, 20% of our clients will provide 80% of our revenue and 80% of our users; whereas 80% will provide only 20% of our revenue and 20% of our users. And within our market, 20% of our clients will have 1,000 or more in their community and examples of these groups include mega churches, corporations, and universities. For example, PepsiCo currently employs over 280,000;[10] Fellowship Church in Dallas, TX has over 20,000 members; and the University of Texas (any of them) have tens of thousands of students. Companies such as those will provide a majority of our users and revenue.

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[3] http://www.sba.gov
[4] http://www.grantspace.org
[5] http://djchuang.com
[6] http://www.census.gov
[7] Andy Crouch, *Culture Making*; Malcolm Gladwell, *The Tipping Point*.
[8] Donny Smith, CEO during Lecture at 2012 Ouachita Baptist University Business Administration Day
[9] Anthony Kales during motivational speech at 2012 D.W. Reynold's Governor's Cup Luncheon
[10] http://www.pepsico.com

Just to put it in perspective, following is a list of potential clients that naturally have a community they want to foster and are considered a potential client:

- Churches
- Companies
- Universities
- Sororities and Fraternities
- Academic Groups

- Political Groups
- Schools
- Residential Buildings
- Home Owners Associations
- And any group of people

Competitive

Stop and Serve provides a unique social media site, focused on service . . . and in that regard it is almost entirely unique. The biggest competitor is The City social media website (www.onthecity.org). The City is a social media website for churches. They provide unique social media sites for churches and charge them a set up fee and monthly fee, the inspiration of our business model. Already, the City has several large churches using their social media site that they connect to through their church websites, but it is riddled with problems.

First and foremost, the City is directly competing with Facebook. It looks similar and has a similar function except they are limited to only people within the church. In fact, it is almost a lesser Facebook and its main unique function is the limited community it allows.

Secondly, it has coding issues. In fact, we tried making an account and it was great for several days, but now does not allow us to sign in and it has no adequate help system to fix the solution. Furthermore, although not letting us sign in or close the account, it still sends daily emails that clutter the inbox.

And thirdly, and most significantly for Stop and Serve, is that they do provide a section that is service opportunities and is a direct competitor. However, it is hidden, difficult to find, and, therefore, neglected. The focus of the site is not the service opportunities but the bulletin it becomes for the church.

And finally, although our business model is based off the successful business model that the City has put in place, we are over three times less expensive and provide a service that does not overlap and compete with already existing social media.

In short, there is limited competition that has been successful in spite of its flaws which does show the potential for success and readiness of the harvest. But the competition is limited and is limiting themselves to churches as their clients. As a result of this already existing market opportunity and its infancy, we are confident that there is a unique niche for Stop and Serve to place itself in and succeed in.

Services

Our main service is to build a customized website based off of our copyrighted template that allows specific communities to provide a unique website that encourages and fosters service in their community.

Each organization is given a unique URL that follows a formula unless they already own a different domain that they would like to use and host themselves. But for the most part, the URL will be http://www.organization-name.stopandserve.com. However, we are not expecting them to put this longer URL everywhere, but instead link to it through their websites and emails.

Website Function

First and foremost, we provide a simple website that meets our vision of connecting, challenging, and forming cultures within communities. Therefore, we do not require individuals to form new accounts specifically for Stop and Serve in which they would have to memorize yet again another password. Instead, we require them to log in to our website with their Facebook, Twitter, or Google+ account (or connect all three), and will link them to one of the websites if they do not have one.

Following connecting with already existing social media, users will be taken to a site customized for their community, with the organizations logo on it.[11] And the main content of the page will be posts that are: 1) recent posts within the community asking for help with a need, 2) people committing to meet a need, or 3) people informing the completion of a need. The posts will be organized according to the most recent and they will allow other users to select them in order to see more information.

Moreover, the front page will allow them to categorize the posts without changing pages. Each need will be categorized and users can choose to see only those that they may be able to help out with. The categories include: all, chores, everyday, financial, health, travel, and yard work. By clicking on the category that they are interested in, the website automatically updates to show only those.

Furthermore, although hopefully not an issue considering the nature of the site and the audience that will attend it, the site will allow all of the users to flag any incorrect or inappropriate posts, or posts that are simply fabricated as a prank.

Also, each account will be able to edit various options within their account. First and foremost, they will be able to determine if they receive alerts and how they receive them. For example, one person may consider receiving alerts of all the financial needs via text message and another via email. And once we get a smart phone, alerts will go automatically unless turned off.

Website Construction

In short, the website is a massive site as far as the amount of coding required. It is a social media website and to put that in perspective, the founder and CEO of Facebook wrote over 10,000 lines

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[11] Appendix C

of code for the first version of Facebook and the current version has over 100,000. Social media website are massive tasks because of the instant interaction required.

In response, we will use an already existing social media Content Management System (CMS) called Pligg (www.pligg.com). We are able to edit this and define the functionality of the website without having to write custom code. With the Pligg CMS we will be able to organize the needs posted, allow for comments, connect with already existing social media websites, and organize the stories based on how recent they are.

However, the site will have to be incorporated with Pligg. Therefore, we will hire a freelance individual or company to make the generic website and template we will use and will budget up to $25,000. Furthermore, we will budget money each year to specifically pay them in order to update the site and provide the site with makeovers.

Website Design

However, the private ownership of the site has already designed the necessary logos for the site and general layout. The logos are consistent and the sample layouts are simple and contemporary . . . but also different.

Stop and Serve websites will be consistent with each other and all of them will be easy to use and navigate even the first time someone uses it. Furthermore, we are using bold, bright, and contemporary colors to highlight aspects of the site and purposely draw the users' attention.

However, the general design of the site will also be very different from anything on the web now, but still simple to use, merely creative but not past the point of user friendliness. In fact, we believe our unique design will increase user friendliness. The design incorporates straight lines and a white background, a modern design, and devotes the right side of the screen, the most important real estate on any website, to advertisements. However, our navigation is actually on the bottom of the screen and is actually fixed, along with the advertisements and communities information. Our logos our bold and big, but are that way to encourage involvement.

And on the center of the screen and taking up the most real estate is a wall of recent posts that include both needs, commitment to meet needs, and successful completion of a need.

Website Pages

Because the website is small and simple and has the specific goal of easily showing needs and allowing people to meet them, there are not many pages, but the few we have are detailed below:

A log in or sign up page that allows users to log into their other social media site (Facebook, Twitter, Google+) or to use the site for the first time and connect using those. This page is simple but unlike our competition, the City, also allows for the option of help and the option to cancel an account. Furthermore, and most importantly, at the bottom of this page will be a simple movie explaining what they are even signing into. It will merely provide an overview over the community they are about to join.

After connecting through a social media website, the user is directed to a home page that includes a list of unmet and completed needs in order of the most recent. Furthermore, on this

page will be our advertisements and their account information. This is our main page and will be where most people discover the needs they want to help out.

Another highly used page will be the page where users actually post their need, it is simple and allows a text box where they need to put all of the necessary information. Furthermore, they have to put their email address so they can be quickly reached when someone agrees to meet the need.

And once someone clicks on a need to meet, it will take them to a simple page that gives the name of the person needing the need met, the details of the need, and an email address and sometimes a phone number to contact the person in need. On this page there will be an option for the user to commit to meeting the need at which point the need is taken off of the need list and email and social media message instantly sent to the person who posted the need. The message will contain the contact information of the one who can meet the need and hopefully in a matter of minutes something can be worked out.

Really, the only other page is the help page, which includes Frequently Asked Questions and allows most issues to be solved without having to contact us.

Limited Pubic Access

Stop and Serve is not a website for anyone on the Internet to go to and post needs and meet needs. Instead, Stop and Serve provides solutions for individual organizations and companies. Our clients will be the organizations and we will sell them a custom website and domain specifically for their company. It will be their responsibility to advertise for the particular site and will be our responsibility to provide them with a working content management system, updates, and a fully functioning service website that does not glitch and does not have errors.

As a result, those people connected to a specific community are the only ones to see each post. Each community is determined by the organization itself and results in a public forum of needs for the community, but not for the world. So if the community itself is small and private, the needs are also.

Moreover, because we are a site that seeks to meet needs and often needs are private, we will allow users to select a "private" option when posting a new need if it is more personal than most. When selected, their information will not be revealed until someone commits to meet the need and they will not be required to post a thank you post on their social media sites but will be encouraged to write a letter of gratitude.

A Sense of Accomplishment and Joy

The biggest struggle for Stop and Serve will be to encourage users to meet needs. Users' unique needs will provide the motivation to post needs, but we have to force the motivation to meet those needs. To do this, we will require individuals who have their needs met to publicly thank the person who met their needs on their social media websites. In doing so, we expect that the person who met the need will receive a sense of good feeling and will have a pride boost.

Furthermore, to encourage the meeting of needs, we will encourage the communities to encourage and remind their members of the importance of involvement. We will design an

environment that will encourage results, but the companies are responsible for how much their community uses the site. If they encourage and consistently announce it, then their members will use and take advantage of it. For example, if in closing a church consistently invites guests to use their "Stop and Serve Website," and consistently reminds members simultaneously to minister by regularly checking the site, then people will visit the site and meet needs.

Also, Stop and Serve is setting up an environment to remind its users to meet needs. This reminding process includes the early development of a smart phone app which people will naturally see daily and which will alert them when needs are posted. Furthermore, the site will automatically send them emails when needs are posted and will allow them to specify the needs that they want to be alerted of and even text the user if they want.

Continual Help

We do not merely provide a product, but provide a product that is continually and instantly updated and a product that has help available five days a week. We will ensure that our clients are satisfied and do what it takes to meet their needs and to fix any issues as quickly as possible. We do not disappear when we sell them the customized website, instead, that is when the relationship begins.

Server Space Provided

Furthermore, we cover the costs of the domain name and the server space, no matter the size of the company. They do not have to deal with multiple parties to make this site a success, but only us and we take care of the multiple aspects to make the website as easy and affordable as possible.

Operating Strategies

Marketing

Innately, the structure of the website encourages and fosters free advertisement for Stop and Serve. However, in conjunction with that free advertisement, we will also implement a three-part marketing strategy: 1) traditional online advertisements, 2) search engine optimization, and 3) word of mouth.

Free Natural Advertising via Social Media

Stop and Serve requires users to sign in with already existing social media accounts because it is easy and saves us server space. Furthermore, it provides us with free advertising. When someone posts a need on Stop and Serve, we will give them the option of also posting it on all of their connected social media website and at the end of the post we will add, "via Stop and Serve," which will serve as a link toward our company's webpage. More often than that, once someone has had a need completed for them, whether large or small, we will require them to thank the person via their connected social media websites, or will have it automatically post, and will once again add a link to our site at the end of their post.

Internal Advertising

We charge a set up fee and annual fee to the organization using our site and buying our product and service. As a result, they are invested in it and will support their investment by supporting and strongly encouraging involvement from their community. In short, each community will advertise for Stop and Serve within their communities. These advertisements include bulletin postings, announcements, emails, and front page website links. And once again, all of this is free advertising for Stop and Serve sites.

Advertisements

From the beginning, Stop and Serve will advertise using Google AdSense, Facebook, and popular social media sites. We will offer $1.30 per every click we receive, slightly above the average to ensure preferential placement for us. Although difficult to estimate, we expect that 1%, or about 1 user for every $130 we spend, will begin to use Stop and Serve and that 20% will mention it to others and provide potential possibilities. Therefore, online advertising will be a primary way in which we attract new users, new demographics, and new geographic regions.

Word of Mouth

However, the strongest, most reliable and long term way we will advertise Stop and Serve is through a word of mouth campaign. Stop and Serve will seek to be a site that is always exceptionally user friendly and a site that gets things done. We will become a site that spreads with word of mouth because peoples' needs will be met, and people will talk about how it happened. The best example of this is eHarmony's word of mouth campaign. People talk about how a couple meets, and people talk about how one gets volunteers, and Stop and Serve will be the answer.

Search Engine Optimization

Another primary way we will attract users is through our search engine optimization (SEO). Our goal is to be the very first non-advertised site one sees when searching for 'service social media' on search engines and to be on the first page of results when one searches for 'service.' To succeed at this, 1) we will ensure a plethora of quality backlinks, links from other sites that connect to Stop and Serve, and 2) a constantly updated site. Furthermore, because of the nature of the site, we naturally encourage a good search engine placement because every site helps provide more backlinks and every new site helps provide constantly updating information.

Smart Advertisements

A main strategy for us will be to provide smart advertisements on our site so that users see the ads they are more likely to click, we receive payment, and the business receives a potential customer. To do this, we are simply going to use Google AdSense and charge about $8.50 per click, the current market average. Google monitors IP addresses and determines where users go and what they click on, and will be able to place the ads most likely to be clicked.

Organization

Physical

Because we are a website, we are not limited by a physical location and will not limit our employees by their physical location. We will hire the best possible employees and will provide them with the necessary equipment. Furthermore, the company can be operated from anywhere with a quick Internet connection and can quickly be updated because Stop and Serve will be secure via online servers and only certain individuals will be allowed to make changes.

Communication is of critical importance in any company, but because of new technology, employees will be able to quickly and efficiently communicate in order to get things done in a timely matter regardless of the physical location.

Website

Furthermore, our website allows us to have a unique structure. Because the websites are based off of a template, we can actually make new websites for new clients without writing any new code and by simply adding their logo and domain but referencing the same code we use for every other site. As a result, when we make a change to this code, we can instantly update every site in a matter of seconds instead of having to go through each site and re-uploading an updated version. Furthermore, this reduces our server space requirement. However, linking to only a handful of codes does provide a risk, but we will ensure that we test the code on a smaller scale before updating every client's individual website.

Critical Risks

Competition

We have an already existing competitor and the potential for new competitors to rapidly show up because we are online. Our competition is a risk, but we are addressing that risk in as many ways as possible. First, we are realizing that competition signifies a good idea and a market, in fact already our competition is succeeding and hiring new positions online. Second, we are not limiting ourselves to a specific organization. Third, we are cheaper and more affordable and are not competing with other forms of social media. And last, we have a clear vision that is only a small aspect of our competition; whereas it is our primary focus.

Furthermore, we provide a more user-friendly design. The City, onthecity.org, is overcrowded and obviously inspired but Facebook, considering it performs the same function. We are simpler, allowing for white space and devoting our most significant and looked at real estate to our advertisements. Furthermore, we will test and prevent coding errors that restrict people from logging on without offering any help, as we have already experienced with the City.

User Abuse

A risk of any social media website is that users will use it for their own advantages, pranks or anything, outside the scope of the website. Technically, users can go on to a Stop and Serve community and post an obscene and inappropriate need. To prevent this, we have two precautions: 1) we are only used by people that the client allows, and 2) we enable all users to quickly report inappropriate or fabricated content. However, considering our clients determine who uses the site and those people will be discussing needs with people that they know on a personal level, we expect that they will treat it more seriously. Furthermore, are primary demographic is adults and communities of adults, which helps ensure maturity. And the website itself naturally invokes peer pressure that encourages sincerity and respect. But still, to not only reduce but also eliminate this risk, we will allow user the opportunity to quickly flag a post and report it to our receptionist who can quickly have it removed or edited.

User Safety

Considering the site is devoted to service, an aspect of it includes encouraging users to go over to someone's house and help them out, which raises safety issues. In response to this, we will protect ourselves and protect our users. We will protect our users by having limited public access. The website is only accessible by community members, which are typically friends on personal levels, not strangers. And even if the community is large enough to have strangers, it is people that the client allows and vouches for. So the set up demands a level of sincerity and level of trust. Furthermore, we will make users agree to our Terms of Service when signing in that helps us legally and warns them of potential dangers.

Lack of Clients

A primary business risk is that we do not gain clients, especially initially because of a lack of interest. However, to encourage other companies to purchase our product, we desperately need an example, which we are confident that we can get. We believe that to begin our opening, we

can have a well-known successful client in each major category of organizations to serve as a standard that we can point to. These potential clients with whom we have strong connections with include: Tyson Foods, First Baptist Euless, and Ouachita Baptist University. As a result of the successful implementation at these organizations, we are confident that we will be able to convince other clients to begin purchasing our product.

Lack of Users

However, even after gaining clients, we run the risk of not attracting enough of their community and not having enough users, without which the site cannot fully function. To ensure users, we charge the businesses an annual fee that we are confident will encourage them to encourage their community members. Furthermore, we provide alerts. We expect that users will not use us because they forget about us. To prevent this, we are setting up a system of alerts to know that there are needs that need to be met and to involve them in the process. Furthermore, we will actively encourage users to post a need, because we realize that once they have a need met, they will instantly become loyal to our brand and seek to help others.

Hosting Reliability

A critical risk for every website is the risk that the site goes down, information is deleted, or servers crash. However, we are proud to say that this is not a risk for us but instead a strength. We will outsource our hosting to Rackspace, www.rackspace.com, in order to save money and ensure reliability. Rackspace is the most reliable and credible hosting solution used by 40% of the Fortune 100. Furthermore, they are prepared to handle random and large increases that would slow down typical servers and charge based on usage. In other words, we are not limited by space and are simply charged by how much we use but do not have to specify a specific amount. Moreover, Rackspace has servers in various physical locations and, by using the cloud networking, even if one physical space burns down or has issues; others cover it.

Financial Overview

Revenue

The source of revenue is three part: 1) an initial set up fee for each organization, 2) an annual fee for each organization, and 3) advertisements. But before the individual amounts of those can be determined, the amount of clients, type of clients, and amount of users must be accurately estimated.

How many Clients

Our first question is how many clients will use our site and how they will increase. To discover this, we researched similar situations . . . but there are not many and we could not find those statistics for our main competitor, the City. Therefore, we estimated. We expected that each day, the sales representative will be able to make twenty contacts, but most of those will fail. Furthermore, every day, our already existing clients and users will be spreading the product by word of mouth. Moreover, our three part advertising campaign will be in effect. As a result, we believe we will easily be able to have a new contract every other workday in the first year of operations. In this first year there is about 260 workdays and we are expecting to have at least 125 clients by the end of the year.

Then, similar to ordinary website growth except at a slower rate considering our clients our groups, not individuals, we projected exponential growth with a specific formula that allows to grow at a relatively predictable speed. From all of this information, we determined that after the first five years, we would have over 6,000 clients, an obtainable amount.

However, a main question for us was what type of accounts they would be. Would our clients typically be larger companies or smaller ones? And what defines a larger and smaller organization? After researching the issue and organizations and the size of the different targets we are seeking to reach, we developed this rule. That 80% of our clients will be groups that are smaller than 1,000 people; and 20% of our clients will be groups with more than 1,000 people. And then even within these groups we broke them down further, which will be detailed in the appendix.

With this knowledge and accurate estimation, we learned that on average, our client would have 4,109 members in their group although most groups will actually have less than 225 people. This includes groups that may only have 10 or 20, and a few others that may have over 100,000.

How many Users

Moreover, regarding users, we also used the 80/20 principle to determine how many would use the site actively and how many would use the site only on occasion. We decided that an active viewer would view the site about 250 times per year, about once per workday; whereas a typical user will only view the site 50 times a year. As a result of these estimations and the 80/20 principle, we were able to determine the amount of serve space needed and the amount of advertisement views we will have.

Set Up Fee Revenue

The set up fee varies with the potential size of the community. In other words, when a client is ready to sign up, to determine their costs, we will determine how many people are within their group, or how many potential users there will be. Then, we will charge them a set up fee accordingly. This set up fee ranges from $100 to $3,000, but a majority of the organizations that use Stop and Serve will pay a set up fee of less than $125. This is a one-time fee and helps cover the cost for adding logos and making the site unique. As a result of our set up fees alone, on average, we will make $296 per company that uses Stop and Serve.

Annual Fee Revenue

The annual fee is our main source of consistent revenue and is also dependent on the size of the community that a client includes because that determines the amount of users, which determines the necessary server space and also determines the value to the company. The annual fee will vary from $100 to $5,000 with a majority of organizations paying $180 or less. However, the average organization will spend $504 on their annual fee, resulting in $50,400 per year for every 100 clients. Furthermore, the annual fee multiplies every year. In other words, it is not a one-time fee like the set up fee, but remains as we place new annual fees on top of that. In comparison, our annual fee is less than a third that of the competition and is priced in a way to ensure value and affordability.

Advertisement Revenue

Although advertisements cost our clients nothing, advertisements still produce a large chunk of our revenue. In fact, advertisements will largely be our largest revenue stream. We will use Google AdSense, which will allow us to charge $8 for every 1,000 views of an advertisement. However, after the exchange with Google, Stop and Serve will only make about $6 for every thousand views. So, based on the amount of clients we have and their average size, and based on the average amount of active and non-active users and how many views they will make, we expect that, on average, for every client that joins Stop and Serve, we will make $536.44 on advertisements. This figure is based on various equations and is an average we are still developing and increasing its accuracy.

Therefore, from those three revenue streams, on average, Stop and Serve will generate $1,336.49 per client allowing us to make a profit after the first 191 clients.

Expenses

Our expenses are low and relatively non-existent. First and foremost are our salary expenses. Initially we prepare for four positions with a manager salary of $80,000, a sales representative salary of $55,000, a web developer salary of $55,000, and a receptionist salary of $40,000. We believe our salaries are fair with the market and allow us to provide raises as soon as possible. Furthermore, we include our FICA expenses within our income statement. Plus, we allow for raises and additional employees within our income statement and always ensure that we have enough to pay for enough website designers so that no one individual has to code over 350 unique websites per year.

Another primary expense is our equipment expense which budgets enough money to allow us to provide our workers with a connected serve, their own new computers, and necessary software to complete their responsibilities.

Contractors refers to our outside hiring of freelance website design or any coding issues we may have to solve. We contract this requirement so that we do not have to hire a dedicated website developer for it.

Financial Statements

Cash Flow Statement
2012-2017: 5 Years

Cash Flow Statements	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Balance	$0	113,836	506,738	2,094,726	5,762,445
Operations					
Net Income	(136,164)	392,902	1,587,988	3,667,719	6,815,117
Operations Net	(136,164)	392,902	1,587,988	3,667,719	6,815,117
Investing					
Land/Auto	-	-	-	-	-
Investing Net	-	-	-	-	-
Financing					
Owner's Investment	250,000	-	-	-	-
Financing New	250,000	-	-	-	-
Net Cash Flow	113,836	392,902	1,587,988	3,667,719	6,815,117
Ending Balance	113,836	506,738	2,094,726	5,762,445	**12,577,562**

Cash Flow Statement Highlights

- Net Cash Flow by the second year
- No land or property is included because the website allows a geographically diverse workforce
- The $250,000 investment provides excess financing that allows for a below than expected net income
- Consistent and adequate cash reserves

Income Statement
2012-2017: 5 Years

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Service Revenue					
Set Up Fee	$37,000	148,000	333,000	592,000	925,000
Annual Fee	63,000	315,000	882,000	1,890,000	3,465,000
Advertisements	67,061	335,306	938,857	2,011,837	3,688,212
Revenue Total	167,061	798,306	2,153,857	4,493,837	8,078,212
Expenses					
Rackspace Lease	213	462	1,025	2,025	3,587
Equipment	10,000	10,000	25,000	30,000	50,000
Contractors	25,000	10,000	15,000	15,000	25,000
Advertisements	14,000	20,000	20,000	20,000	25,000
Legal Costs	1,000	1,000	1,000	1,000	1,000
Salaries	246,330	332,010	417,690	578,340	835,380
Transaction Charges 4%	6,682	31,932	86,154	179,753	323,128
Expense Total	303,225	405,404	565,869	826,118	1,263,095
Net Income	(136,164)	392,902	1,587,988	3,667,719	6,815,117

Income Statement Highlights

- Pligg is not included because it is a free Content Management System, open-source
- Each year the "Annual Fee" includes the revenue generated by both new and old clients
- "Advertisements" were determined by estimating the amount of users each client will provide and how often they will view pages
- The "Rackspace Lease" remains relatively low because we are not hosting pictures or much personal information because we require accounts to be linked with already existing social media websites
- Salaries include FICA and include an allowance for necessary growth
- The 4% transaction charge is rounded up to provide a conservative estimate
- Making a profit after the second year

Balance Sheet
2012-2017: 5 Years

Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Cash	$113,836	506,738	2,094,726	5,762,445	12,577,562
Equipment	10,000	20,000	45,000	75,000	125,000
Equipment Deprecation	(2,000)	(6,000)	(12,500)	(22,000)	(36,500)
Domain Name	10,000	50,000	100,000	300,000	500,000
Total Assets	131,836	570,738	2,227,226	6,115,445	13,166,062
Liabilities					
Total Liabilities	-	-	-	-	-
Equity					
Private Ownership 60%	79,102	342,443	1,336,336	3,669,267	7,899,637
250k Investment 40%	52,734	228,295	890,890	2,446,178	5,266,425
Total Equity	131,836	570,738	2,227,226	6,115,445	13,166,062

Balance Sheet Highlights

- The equity more than doubles yearly
- The "Domain Name" was estimated using similar websites and site popularity prediction
- The private investment of $250,000 is worth almost 10 times as much after only three years

STOP
SERVE

Funds Required and Offering

Funds Required

Already the private owners are providing necessary equipment and software that will allow the creation of the website. But to actually implement the company, we are seeking an investment of $250,000. This investment will allow Stop and Serve to hire a freelance agency to design the general template of the website for $25,000 or less. Furthermore, this investment provides adequate requirements for our initial marketing push and will allow us to begin paying our employees without fear of bankruptcy. As our cash flow statements show, even without reaching our expectations of clients, with an investment of $250,000 Stop and Serve will be able to pay its employees and continue on.
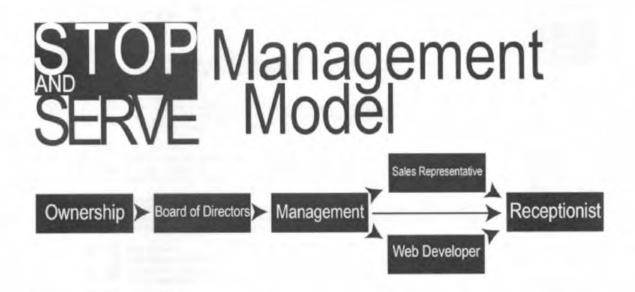
Offering

In return for the initial investment of $250,000, Stop and Serve is offering 40% of this company. With this set up, we expect that after only three years, the investment will be worth at least twice, almost three times as much. And after five years the investment will be worth about ten times as much as the initial investment. And possible exit strategies include selling the share of the company back to the private ownership, or selling to a company such as Google who is always seeking to buy new social media websites.

Appendix

Appendix A: Management Model

Appendix B: Sample Logo

Appendix C: Sample Home Page
(After Logging In)

PEPSICO POSTMEET NEEDNEED

MEET NEED — **Nate Peace** ▼
Hey, I could really use some help moving into my new apartment this Saturday August 24, from 10 am till 5 pm. Any help would be greatly appreciated and I can give some pizza out afterwards

MEET NEED — **Nate Peace** ▼
My car broke down and I desperately need someone who knows about engines in Mazda's and can simply help me out. Please contact me as soon as possible because travel is next to impossible right now and I could really use some help!

Nate Peace ▼
Huge thanks to Jeff Peterson who took care of my dog when I suddenly have to go out of town. I know it's subtle but he saved me hundreds of dollars and boarding fees and did so in the very last minute with a crazy dog so I seriously cannot express enough gratitude.

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Nate Peace
Not Nate | Edit Account
3 Needs Posted
5 Needs Met

Log Out | Help

POSTMEET NEEDNEED STOP AND SERVE