

## Executive Summary

# Gardening of the Future

## IEOR 290

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## ***Idea***

Following the trends of globalization and increasingly stressful time management, many millennials are looking for ways to relieve stress and experience some nature even in their urban surroundings. However, most of them are lacking both expertise and proper guidance to choose and tread plants for their home.

Our proposed solution is a app that supports our users throughout their whole experience as a gardener: A integrated configurator chooses the best plant for each individual situation by “translating” the customer's situation into criteria and matching those with a plant database. After the purchase, we optimize the customer's watering schedule and support him in difficult situations that he might encounter. Additionally, the abilities to share plant progress and pictures and to connect with other users is provided

## ***Market size estimation***

The total market of those in the US who would download the app upon exposure can be estimated at 27.4M using the following data obtained by surveys that we conducted: The total population of 15-40 years old who are employed and living in urban areas are 80M. Out of those, 91% are interested in plants and 71% out of those experience at least some problems when keeping plants. Out of this final group, 53% of all participants are interested in the app upon exposure.

There are additional market segments in other age groups and countries. However, our initial approach is to concentrate on this particular segment and tailor product and marketing strategy accordingly.

## ***Unique value proposition***

The aspects that make our app unique and offer special value to customers are the accessibility and easiness to use. All existing solutions (apps and books or magazines) either require extensive background knowledge to use or consume a lot of time. As opposed to this, our test users are enthusiastic about the easiness to use, the usability and the fact that our prototype offers an all-in-one solution that offers benefit from the start without any background knowledge.

## Financials

The revenue will depend on the number of users we are able to attract. We expect to be able to attract 10,000 users after 6 months, 40,000 after 12 months and almost 200,000 users after 24 months from when we launch the app. From these users, we expect to create revenue from three main sources: Ads in the app, a cut of in-app-purchase and premium features.

The ads integrated into the app will let retailers advertise to a highly specific target group, and we can therefore expect a higher price from each ad than average.

The in-app-purchase will also be an opportunity to create revenue, and we expect to take 10%-15% of the purchase. This requires that we have agreements with existing (online) retailers, which we are currently looking into. Thus, we expect that this service will start creating serious revenue 6 months after the launch of the app.

Premium features are also something we expect to create revenue in the future. This is not something we want to introduce right away, since we don't want to limit the features in the app early on. Thus, we expect that subscriptions will start creating revenue 12 months after the launch of the app.

To grow the company, and meet the expected revenue, we will need to spend money on the development and advertisement to grow a community. We expect the following cost for the next 2 years:

	Year 1	Year 2
Development Cost	\$50,000	\$100,000
Advertising Cost	\$10,000	\$30,000
Total Burn rate /month	\$5,000	\$10,800

## Competitors

The gardening space in general has not yet been disrupted by digital technology as seen in other markets. The main way people gain knowledge about gardening is through books and most of the sales is made in physical stores. This is why we think this is the right time to enter this market, since no other technological solution has become a clear market leader yet. There are some other apps out there that focus on gardening, but none of

them focus on our main feature, which is to help people choose plants that will fit their living situation.

## ***The team***

Gardening of the Future consist of a strong and international team.

Felix Fischer is from Germany and is our CEO. He has experience from the German company Bosch, and have the execution skills that will make this company grow.

Arman Jabbari is from Iran and is our CTO. He is our Optimization and Analytics expert, and a Ph.D. Candidate at UC Berkeley in Industrial Engineering and Operation Research.

Marius Svenungsen is from Norway and is our COO. He has some previous startup experience and is doing a M.Sc. in Mechanical Engineering.

## ***Timeline***

We are currently planning to release an initial version of the app in Q4 2016. This version will focus on the configurator, which is the most important tool to attract new customers. Subsequent versions will introduce more features and more opportunities for monetization. Given our financial projections, we expect to reach breakeven by Q2 2017 and a revenue run rate of over \$500,000 by Q3 2018.

## ***Ask***

In order to make gardening accessible to everyone and to attract a large user base within 24 months, we need two things: First of all, \$100,00 are required to cover the estimated burn rate. Secondly, we hope to get some support in the form of mentorship during the development phase.