



Business Case

Scenario I:

A well-patronized 10-system Cyber café
(the average workstation population of 55% of Cyber cafes).

Charges: ₦100/hr

Working Hours: say 12 hours: 8am to 8pm, averagely.

Peak time periods for use of each system: 8hrs.

Usual daily revenue: 8hrs X 10 systems X ₦100.00 = ₦8,000. Add printing, scanning and other services, a 10-system Café averagely makes **₦10,000 per day**. The browsing time paid for is used either directly or indirectly by the customers.

However, we shall present the computation of added direct revenue to the café owner as well as indirect revenue. Direct Revenue is the regular usage of paid-for time in browsing as computed above.

Indirect Revenue I: Extra ₦100,000 per annum

The client workstations would advertise by scrolling 24/7/365 the SMS capabilities of the billing software. For each SMS sent, the system deducts ₦10 from the time balance of the customer's pre-paid access time (say ₦100 for an hour). Each of these SMS are purchased in bulk by the Café owner/manager at the cost of ₦8 each and loaded into the server. It is strongly believed that an estimation of **2 SMS per hour per workstation** is even an underestimation.

Minimum sms to be sent per day in a 10 system café therefore is:

10 systems X 8hrs X 2 = 160SMS.

At a profit margin of ₦2, there is a minimum extra revenue of ₦320 X 26 days X 12 months = **₦99,840**.

Indirect Revenue II: Opportunity Cost

By *choosing* to browse with ₦80 and send 2 SMS messages, the customer has used his power of choice to save the café owner ₦20's worth of time from his paid for ₦100.

Its value aggregates as follows:

Normal billing for 1 hour (i.e. 60 minutes) = ₦100

This means that 2 SMS (₦20 deducted) saves the café owner 12 minutes per hour per system.

This suggests that in a **single day, the café has gained back resalable time** to the tune of 12 minutes X 8hours X 10 systems = 960 minutes (16 hrs)

Thus @ ₦100/hr, the Café has generated an **extra ₦1,600 daily revenue**.

The higher the volume of the SMS sent, the greater your direct profit and the greater your resalable time reclaimed.

These figures translate to substantial revenue for your café, the more the number of systems on your network. (Recall that you are paying Surfstation nothing extra for each new system you introduce onto your network).

*At the present rate, we should be seeing 3 SMS/system patronage levels under 6months of launch. This is not even accounting for the increased café patronage that would accrue to each café across the board. For a 40 system café, extra daily revenue becomes: 5,760 minutes (96hours), an equivalent of **extra N9,600 daily revenue***

Additional Revenue

Becoming an Approved Reseller of Surfstation 9.0s and SMSBlues makes accrue to you steady revenue. The margins are inviting and the job openings limitless.

Image

How many Cyber Cafés can claim ability to satisfy this yawning need of customers to create a most convenient bridge between the internet and the blossoming Nigerian GSM network? We foresee in a few months customers asking first when peeping into a Cyber Café: **“Are you on SurfStation?”**

Convenience is key

The assuredness that whenever you are on the web, you can read a mail/locate a piece of information/happen upon a site and immediately circulate the information to any you desire to is unequaled. It is a level of Email2SMS but much more potent. The target market for SMS messaging is the global SMS-compatible/GSM population. Delivery performance: 99.98% with prioritization. Delivery rates: Speedy, slowed down only by intra-network delays.

Market Potential

MTN subscriber base is hitting 2million; Vodacom enters for a 5-year management stint of ECONET's well over 1 million subscribers, Glo-mobile eyeing 700,000 subscribers.

It is instructive to note that globally, wherever GSM technology is deployed, the Web2SMS culture and volume of use grows, once there is a delivery channel, at a rate of 15% per quarter.

**The Short Message Service Business volume moved globally from 4 billion SMS in 2000 to 24 billion in 2002!Source: IDC
First Quarter 2004 figures go through the roof!**

This document asks of you to have a share in the pie.

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