

Longevity project

Capstone Project Summary

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Cap-stone project summary

Introduction

Longevity Project aims to undertake the activities to bring evidence-based, scientifically sound lifestyle medicine to Hungary. The complete lifestyle and health improvement program in the form of a twelve-week intensive group-based program offered to people in open courses and potentially online.

The project starts start-up Business called the same way “Longevity Project” namely, Dr. Márky Ádám (*founder & coo at Longevity Project*), and Länger Jelena (*founder & ceo at Longevity Project*). The founders created the full business plan. They collected experimental groups for the exact implementation of the program.

The aim of this capstone project is to create the separate business plan for Health & Lifestyle improvement programs online.

They will offer the on-line program to the public through an existing online training platform through companies as part of their corporate wellbeing programs– financing from the company’s HR/training budget OR co-financed by the company and their health insurance provider and to the person customers through the direct access from internet.

Capstone outline and benefits for the business

The aim of this cap-stone project was the creation of full business plans’ for the online version of the business. One of its benefits was that we created a dynamic Model for assessing the financial status, financial needs, strategy and pricing aspects of the business. It is available in Excel.

We reached the purpose of creating the Model through the market research, investigation of strategic approaches based on scientific view, determining the pricing strategy, costs. The model allows to create the financial statements and analyze them as a part of the model.

The other benefit of the work is the informative part of the project for the business owner about the competitors, financing possibilities, and risks. Further we will explain the consecutive steps that we have implemented while doing this project.

The work done for the project results

The first step of the project was the market and strategic research that allowed to figure out the customer profile, customer behavior, pricing policy and financing options. Next step was the full cost and income analysis to understand profit of the business for future three years. It included

the calculations of different ratios, comparative analysis with similar businesses, cash flow needs and loans applications influence on the financial situation. As a result, we have created the dynamic model for the possibly of using different inputs for desired results. This serves as a core purpose of the project since the business owner will be able to use it to estimate such variables as the number of customers, price policy, costs, and financing needs depending on the desired margin should any conditions change.

Market research and Strategy for project implementation

As we have already mentioned the first steps of the project were strategic planning and receiving related market research information.

We investigated the results for different age, professions and gender groups of populations as the target group for the potential customers. Different methodologies of the preferences were investigated based on the certain psychological studies for the healthy products and lifestyle approaches' acceptance. We divided customers into corporate and person types. Using that information, we decided separate behavioral aspect for the customer's profile.

Based on the customer profile and the market prices, we decided the pricing policy for both the corporate and individual packages. For the companies we estimated the price of the package based on the similar products prices and polling results. We used the information like the biggest company's size and their willingness extend as the primary source for the estimation. Then we conducted the proportions and percentage calculation for the quantitative result.

So we differentiated the person customer pricing the cluster's preferences and market prices of similar products.

Financial plan and Financial Model

Further we developed the financial plan and financial model, which include the following:

- First, we determined the price for the products based on market research, which is the price a customer will be willing to pay. Then we decided the approximate number of customers.
- Then we conducted the calculation of working and non-operational costs and marginal determinants for cost and price.
- We also created the balance sheet and cash flow of resources on the yearly basis to decide the cash needs on the short and longer run.
- We have conducted net Income vs gross income analyzing. We also did the benchmarking based on Damodaran similar industries historical data.
- The financial strategy began from understanding of the existing first capital and investment needs. To understand the financing we conducted market research for suitable loans and potential investors. Then we decided the Investment need, determined the amount needed for running the business for one year, three-year. We created the corresponding graph.

Also, the model allowed to show the financial needs. Furthermore, the separate formula is suggested to calculate the desired margin based on the direct costs. In addition, we estimated minimal gross margin using that formula. Based on that we decided the minimal price and measure variations for the corporate and individual customers.

Costs of the project

As an important part, we conducted costs analysis for the project. We calculated them for corporate clients' and individuals' client's packages separately. As usually it is divided into the direct and indirect components. The types of the costs are estimated based on the best methods available for forecasting of the cost for the project as a defined scope, taking into account such variables as planning, evaluation, and controlling. The method of costing is also explained in the project. In particular, we have included the implementation, package evaluation, and online maintenance for both types of packages, research and development cost, capitalized value, project development cost as direct costs. Each cost has its estimation and calculation formula.

The indirect cost are not identified as many, since most overheads had taken into the account in the other part of the project. Those costs remaining for this part are the General overheads and sales and marketing.

Financial needs of the project

As the next part of the project, we gave the project owner multiple recommendations how they can assess the financial needs. We have included here the information about types of loans, venture capitals and other sources for the possible type of funding. The expanded information is given in the Appendix.

Risk assessment of the project

The risk assessment and conclusion has the main risks and wrap up of the project exit policy. We made the greatest emphasis on the risk mitigations and marginal losses. Otherwise, the project estimated as life one for many consecutive years.

Conclusion

As we have already mentioned, the business plan that we have created supposed to support the small business in their initial steps as well as for further development of it in future. As we learned, this business types' sustainability heavily depends on the ability to adjust to the market conditions. We have provided the sources of information for the business that helpful in different situations and the dynamic model that they can use as a test for the real situations all are powerful tools for this business.

