Strategic Plan for Genesi: Tanzania

The main customer for the Tanzania rollout will initially be the police force. Officers will use Genesi hardware to perform many tasks. First, officers are currently using and will use to a larger extent the hardware at road checkpoints throughout the country. The officers are using this technology to speed up many of the tasks being performed at the checkpoints. Before, this process had to be done by hand and took a lot of time and effort. Through using Genesi computers, the officers are able to complete their tasks quicker and get travelers back on the road. The second use for officers will be in the office. The officers will be able to perform database lookups on criminals, as well as use the computers to perform other basic office work. The computers will be connected to the police force's cloud, so officers will be able to connect from any point with internet access. Finally, officers in the streets will use Genesi tablets to help with their duties. As an officer stops a suspect, he will be able to perform an immediate lookup on the suspect's prior history through the cloud. In addition, the police officers on the street will be better connected to the central police station, as the station will be able to pass important information directly to their tablets as it develops.

The second customer Genesi will target is the Tanzanian civilian population. Genesi will reach these people through government workers that already use the computers for their work. This way, little additional training will be needed for civilians who buy the computers, as the government workers will be able to train the rest of their families. Civilians will the Genesi computers similar to how the rest of the world uses personal computers. They will be able to surf the internet, prepare office documents, and play rudimentary games. The citizens will be able to use free, cloud storage systems such as those provided by Google, Amazon, or Drop box. Citizens will also use the Genesi computers to for educational purposes.

Once Genesi makes some money from sales to the government and regular citizens, it will be able to market its computers at a steep discount to schools. Schools will set the computers up in computer labs and teach students basic computer skills. As the students become more advanced, they will teach themselves and others more advanced skills. This will enable future generations of Tanzanians to be connected with the world. Hopefully the people of Tanzania will be able to make money and improve their standard of living because of the Genesi computers.

Team Members

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I. Table of Contents

II.   Executive Summary

Genesi is a small company that provides energy efficient computing devices and customizable services that allow organizations to be fully integrated and connect with the rest of the world.

Since Genesi is entering a new, emerging market in Tanzania there is much opportunity for growth because there is not another product like this one. The most important thing is choosing where to start.

Because Genesi's devices are at a price point ($199) that is quite high for the average citizen, it will be good strategy to begin by selling devices/ services to the government. More specifically, both the smart book and CRM services will be sold to police departments in Tanzania. By forming that relationship with the government first, it will become a viral type of marketing in which the police force will tell others about the computing and CRM systems and those groups will want to get in on the opportunity as well. Forming the relationship with the government first will also allow Genesi to form partnerships with other companies such as Vodacom more easily in the future.

Genesi is able to offer much more than just computers for the people in Tanzania. The package that will be sold to police departments and later to schools includes everything that they will need to run the computer. A kit will include a solar panel to generate power, a 15V battery that will stay charged for 20 hours, a light, and all of the tools, wires, and instructions to put the whole computing system together. This entire system is one that will add infinite value to its users. Because the solar panel can be used to power many things, not just the computer battery, it will save on energy costs and provide opportunity for new revenue streams. The battery that comes with the kit will also provide opportunity to bring in revenue by using it to power other devices, or recharge other devices that are frequently used, such as flashlights or lanterns.

Genesi is focusing on a customer that can first afford the product, and then use the product to its fullest capacity to connect to the masses. The police department will be able to afford this system, and implement it so that it benefits not only their organizational structure and work efficiency, but also attributes to the greater good of the people of Tanzania as a result.

Of course there will be some difficulty implementing this system at first as far as set up and functionality goes. Genesi's services will include an account representative that will be the main contact for the users in Tanzania to reach in the event of any confusion or questions that might need answering. This will strengthen the relationship between Genesi and the government by having a definite 'go to' person who can help solve the IT problems. Nothing is more frustrating

than having to explain a problem multiple times to multiple people and never being able to get the real issue addressed. This will cut down on miscommunication and will provide the Tanzanian police force with the help they need to do their job quickly and efficiently. There will be a training session for new users when the system is first being set up. Those users will later train others that implement the system as well.

Marketing for this product will consist of informing government agencies of the opportunities available with this technology system and how it has been implemented in other markets that have been successful. Once the police departments have success with the system, the marketing will become more word of mouth and viral because the government will tell others how beneficial it has been.

Genesi has to opportunity to grow exponentially in the Tanzanian market because there is not any real competition in the market currently. However, there are many avenues through which to form partnerships in order to provide technology to the global masses.

III. Vision & Mission

What is the nature of the opportunity? Who are the customers? What is the need being fulfilled? How is Genesi adding value? Be sure to describe the full supply chain if it is multi-step.

Tanzania is an emerging market in the global economy, which opens up many opportunities including the telecommunications industry. Genesi's products and services provide Tanzanians with a gateway and the tools they need to take advantage of the global community. The value of global communication is immeasurable do to the amount of education and opportunity that are provided. Genesi is closing the gap between those that live in remote areas and their access to the world through technology. Genesi devices and services will be sold to government entities in Tanzania beginning with the police task force, which is already underway. The implementation of this technology will not only make their job easier and more efficient, but in return will benefit the greater good of Tanzania as a whole.

What is the proposed Vision?

To connect the world through technology

What is the proposed Mission?

To provide innovative, efficient, and inexpensive telecommunications technology to developing markets, enabling ease of access to the global community.

IV. External Analysis

General Environment

Tanzania has a very poor economy, which makes it difficult for the general population to be able to afford luxuries like modern technology. That is why Genesi's cost advantage is vital to surviving in the Tanzanian market.

Although there are modernized parts of Tanzania, there still remain aboriginal tribes and a large population of rural farmers. This makes the target demographic for Genesi very specific. Targeting the higher educated and funded government and school systems will allow Genesi to reach the people who can make the best use of its products.

Tanzania is a unitary republic, with a president as its leader. As a peaceful country, creating a strong and positive relationship with the government can be a vital way for Genesi to reach the rest of the community in the future.

Because the types of jobs held across the country are so diverse, the introduction of the Genesi products has a potential to spread information to the different areas of the country, increasing the spread of information and literacy levels, which could eventually lead to a lower level of unemployment.

There currently is not a high demand or prevalence of technology in Tanzania. The main reason for this is the majority of Tanzanians have either not been introduced to technology or are too illiterate or poor to access it. With the evolutionary potential of Genesi's products, this lack of barriers put up by the lack of knowledge or access could be broken down allowing technology to become a focus for the people of Tanzania.

As a coastal country Tanzania already has a thoroughly developed importing industry. Through access of this industry Genesi has the potential to eventually reach other countries in the developing southern half of Africa, allowing its products to become more globally marketable in that part of the world.

Tanzania is still very much a developing nation and because of this, the country faces many electricity issues. These issues make it difficult for the small percent of the population that already has access to computers to efficiently use the machines. The implementation of more solar panels like the one Genesi has already installed in Tanzania will be key in creating even

more usability for consumers. In addition, the low power consumption of Genesi devices is ideal for this environment. Ideally, government entities such as police and military forces that might be stationed in more remote parts of the country and might not have a consistent electricity source would use the solar panels.

Tanzania Industry

There currently is not a real substitute for Genesi products in Tanzania. Although other companies may offer superior products, only a very small percentage of citizens can afford that. The services the other products offer are also far too advanced for most of the people in Tanzania. The low cost and maintenance of Genesi products gives it an advantage that no other manufacturer has been able to or chosen to reproduce.

To hedge against the threat of new entrants, Genesi needs to focus on two important factors. The first and most important strategy is establishing a strong relationship with the Tanzanian government. This already established relationship will give Genesi an advantage over potential competitors and extended government contracts will make the cost and implementation of switching to a new vendor more difficult for the government. The other area Genesi should focus is the solar panels. In addition, Genesi should build and leverage a relationship with a telecommunications company, ideally Vodacom, to establish long-term contracts and enable Genesi to provide internet access to users. Being able to offer these as part of a package to large orders from the government or schools will set Genesi apart and as long as it keeps developing the technology that goes into its products, Genesi will be able to sustain that advantage.

Through the relationship with the government, Genesi will create a strong bargaining power within the general Tanzanian market when it comes to that phase of implementation.

Competitors of Genesi in Tanzania

Genesi currently does not have any competitors in the Tanzanian market. With this kind of market freedom, it is vital for Genesi to sustain this advantage by keeping the goals of the best technology for the lowest price possible.

As previously stated, relations with the Tanzanian government are the most important element to Genesi's introduction into the Tanzanian market. Through this relationship, the government can give Genesi a better idea of what exactly the Tanzanian people are in need of and what economic and social changes are occurring. With the government using Genesi's products, it can also give

feedback to Genesi about any changes or further needs it may have concerning the products. Through that feedback, the Tanzanian government and Genesi can work together to modify the technology to fit the evolutionary needs of the Tanzanian market.

V.   Internal Analysis

The value Genesi can bring to Tanzania is the ability to inexpensively modernize the country in ways that can help expand knowledge and information. To bring this value to life, Genesi should examine the internal abilities it has and needs to expand on in order for this vision to happen.

One of Genesi's strongest areas is its operational logistics. Genesi already has a relatively simple manufacturing process that allows it to get products to its customers quickly. Since these products do not require frequent or expensive maintenance over the course of their lives, the products set themselves apart as being superior. This advantage is one of Genesi's strongest and maintaining it is very important.

An activity that the majority of retailers spend an enormous amount of time and money on is marketing. If Genesi is able to form a sort of partnership with Vodacom, it will be able to outsource this area to Vodacom. The kind of relationship with Vodacom Genesi needs to look at is one that allows Vodacom to sell Genesi products under a Vodacom name, which will encourage Vodacom to market the products. A relationship like this will require Genesi to sell its products at a discount, but if the relationship stays positive and works correctly, Genesi will be able to make a higher profit due to larger orders.

Although most of Genesi's internal abilities are already compatible for the strategy of implementing products into the Tanzanian market, human resources management is an area it can expand. Providing its clients with complementary training for large customers, like the Tanzanian government. This specialized training will not only help give some initial feedback to Genesi, but also will allow it to make its human resources become more competitive against any potential competitors in the future.

VI.   Business-Level Strategy

Customer Base

Initially, our customers will be composed of the government. Genesi will use its current connections with the police force in Tanzania to first get a service contract with the police force in Tanzania, followed by contracts with other sections of the Tanzanian government. The patrolmen in the police force will hopefully be able to use Genesi tablets. This will make office job performance more efficient, helping keep the entire force on the same page information wise. Doing so will require Genesi and the Tanzanian government to make a deal with a telecommunications company in order to get the best price possible on data. The police force that works in the office will use Genesi Smart tops at their desk to help complete office work. Once the police department helps Genesi create a success story, Genesi will be able to use the success story to further market its products to other areas of the government. This will enable the company to sell all lines of hardware throughout the Tanzanian government.

Once the government workers understand the benefits of using Genesi products, they will likely want to own their own Genesi products. Genesi will offer its computers to government workers at a healthy discount that still enables the company to make money off of the sales. Doing so will serve two purposes. First, it will create viral marketing through word of mouth. If this program is successful, Genesi will likely not have to spend too much money on marketing. Second, it will enable technology availability to a broader group of people in a short period of time. Genesi will be able to leverage its new relationship with the telecommunications company to further sell to end consumers.

Product

Genesi will be selling its hardware, operating systems, and "cloud city" capabilities to the government. It will be selling hardware and operating systems to the civilian population. For the government, Genesi will be able to provide maintenance services to the government's cloud and operating systems. Hopefully, this arrangement will provide virtually seamless computing for the Tanzanian government. It will also provide Genesi with continued income from fees paid for upkeep of the systems. Genesi will provide the civilian population with operating system updates as needed on an easy to use forum. This will enable customers to be more self-sufficient with their equipment and will reduce any additional customer-service costs the company might face.

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Manufacture and Distribution

Initially, Genesi will need to ship completely assembled computers to Tanzania. Genesi will source the product directly from its factories overseas to Tanzania. Because most pieces of the Genesi product are made in the Asia-Pacific region of the world, sourcing the product directly from these factories to the customer in Tanzania will massively cut down on shipping costs. This strategy will enable the company to avoid many expensive startup costs associated with installing a factory or assembly plant in the country. Once demand is high enough in the country to support an assembly center or factory, Genesi will look into starting one of those in the country. However, this will likely not be done until after the two-year duration of this plan, as Genesi needs to ensure the product's success before committing to a large capital investment.

Pricing Structure

Due to the different sections of the plan, Genesi will have a couple different pricing structures. The company will offer a pricing structure for its governmental contracts, as well as one for citizens.

In its governmental contracts, Genesi will require a rolled purchase of the hardware by the customer. This strategy works for the Tanzanian government, because the government has enough money to buy the equipment outright and will likely be able to bargain for a better deal through a purchase, rather than a lease. This strategy will work for Genesi, because it will be able to remove itself from liability of the government not returning the computers in a good condition. It will also provide the company with capital up front to invest in other ventures.

Computers will be leased to civilians on an individual basis. Average annual income in Tanzania is only about $1,400. The people of the country probably will not be able to buy Genesi's computers outright. Leasing computers to citizens in return for a low, monthly payment will allow the citizens the luxury of owning a computer, without having to pay roughly 14% of their income up front. As business picks up, these lease payments will provide Genesi with a steadier stream of income.

Customer Support

Genesi will support its government customers by installing one of its employees in Tanzania to oversee development of an IT department in the government. While the employee is there, he will be able to help users with any major issues they may have, as well as train people in the new IT department to deal with issues. He will also help the IT department create a site where common problems can be answered by watching videos or reading trouble-shooting tips, similar to the Google and Apple websites. This will tap into the human capital in Tanzania, while

providing assurance to the government that its people are being properly trained. In addition to his training and supervisory duties, the employee will maintain a direct line of communication with the people in the government who made the original purchasing decision. This will provide Genesi with a good fallback should any large problems arise.

Once Genesi's computers start to penetrate the consumer market, the company will launch a website, similar to the one developed by the IT department in the government. This web site will use many of the same videos for general computer issues, and will also depend on users in the cloud community for further development. Genesi will also set up a toll-free phone number, so customers have a customer-service center to contact with any difficulties. The center could potentially be located in Tanzania, bringing jobs to the country and allowing people to have problems fixed by their own countrymen who understand their difficulties better than someone from another culture might.

Promotion

Initially, Genesi's promotion will take place in the government setting. This means finding the people who authorize purchases in the Tanzanian government and taking them to dinner, golf, or doing whatever the cultural norm for selling business is in the country. After the company gets its first contract, it will work tirelessly to ensure the buying party is happy with the user experience Genesi provides. If the firm can achieve this, it will have a success story to show other areas of the government when it is trying to win business. Once Genesi gets enough exposure with government employees, it will depend on its government employee discount model to win the initial share of civilian business. Civilians in the country that use the computers will tell their friends of the wonderful Genesi experience, spurring demand for the product. This viral marketing/promoting scheme will be effective and inexpensive once Genesi is able to get its foot in the door with the Tanzanian government.

Porter's Generic Strategies

In this plan, Genesi will be using a broad differentiation strategy. Because computer saturation is relatively low in the country, its citizens will not be able to recognize Genesi's products as having low horsepower compared with other top of the line computers, such as an iMac. The people in the country will see the small size of the computer as an added feature, rather than a sacrifice of added power or capability. They will be glad to just have a computer. Further, the average income per capita in Tanzania is around $1,400. Because the people of the country are not earning very much money compared to the cost of a Genesi computer ($175-200), the computer will seem like a large initial investment. At first, only the wealthy individuals or entities in the country will be able to afford the machines. However, as time passes, Genesi will

make more money, the hardware will become cheaper, and Genesi will be able to reduce the price of the computer so that more of a common man in the country will be able to afford the machines. Genesi will also be able to differentiate based on its 'cloud' aspect. When its products compared to other more hard drive based computers, Genesi will be able to differentiate itself by showing a smaller size and ease of portability.

VII. Competitive Dynamics

Competitor Analysis

Luckily, there is little in the way of external competition for Genesi in Tanzania. The country does not have very many computers compared with the number of its citizens. Because of this, Genesi should be able to cater to many different demographics within the Tanzanian market. A potential competitor could come along in the second phase of the project when Genesi tries to put computers in schools around the country. Several programs, including One Laptop Per Child are already serving Tanzania. Genesi will have to work to ensure its computers are being used for this program, rather than other company's equipment.

Rivalry

Initially, Genesi will not have any major rivals in Tanzania. Genesi has the luxury of being the only company that will provide low-cost, energy efficient computers to the Tanzanian market. The company should move as fast as possible to gain maximum market share in the country, so imitators do not attempt to enter. Should Genesi decide to enter the school market, it will have a few competitors. They will come in the form of other companies providing low-cost computers to the schools. However, Genesi should easily be able to overtake these competitors by selling the distinct advantages its computers have.

Likelihood of Attack/ Response

Because there are few to no competitors, the chance is miniscule that a company will try to attack/ respond to Genesi's business in Tanzania. Since the computer market in Tanzania is small, there will be little temptation for a computer giant, such as HP or Apple to enter this market and fight for Genesi's customers. In addition, it will also take many years of work and considerable investment for a smaller company to try to copy Genesi's operations model. This provides a significant barrier to entry for any smaller company.

Speed of market/ Learning Curve

Since there is little saturation in the Tanzanian computer market, the market will move at a relatively slow speed for Genesi. This will be an advantage for the company, because at least initially it will not have to worry about innovating new products at a quick rate to satisfy demand in the market. Initially, Genesi will be able to concentrate at developing its core competencies, rather than worry about pouring time and effort into research and development. However,

because people generally have a pretty fast learning curve with computers, after the first couple of years the market will speed up.

People are generally able to learn how to use computers at a pretty quick rate. Because of this, the learning curve is pretty steep. As the customers using the computers learn more and more about their new technology, they will demand new innovations on a more frequent basis. Genesi should prepare for this by having multiple innovations ready for customer rollout as needed. This will help the company keep its market share as potential competitors enter the market.

VIII. Corporate-Level Strategy

Parenting

Because Genesi will be selling its products directly to the Tanzanian Government during the first phase of the project, it will not need to employ a corporate level strategy concerning subsidiaries. However, the company will need to be aware of the implementation strategy its employees are using to install the computers and systems for the government. The employees helping the government (police force) initially will be able to act as Genesi's liaison to Tanzania. Genesi will also need to ensure these people can effectively interact with the telecommunications company the government decides to take a contract with in order to help solve and eliminate any telecommunication issues.

Once the company enters into the civilian market, it will need to become more customer service oriented. This will likely mean a small storefront in the Dar es Salaam. This will be used for both sales and service on products, similar to an Apple store. In addition to the storefront, Genesi should consider putting a call center in the country, so customers can call from their computers for quick troubleshooting advice. If both of these businesses were placed in the many people would gain jobs from Genesi's entrance into the country. In addition, if customers were helped by their own countrymen, they would be able to receive help in their own language by people who understood their customs.

Diversification

Diversification will come for Genesi after the company successfully sells to the Tanzanian government. Once Genesi begins to sell computers to the entire population, it will be able to diversify its customer base. This will minimize risk for the company of failure in one segment ruining an entire business. While the beginning of the plan includes a reach in strategy to gain market share quickly, the second part of the plan will allow Genesi to strike up many small deals and truly reach the masses with its technology.

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IX. International Considerations

Opportunity Incentives

Entering the Tanzania market provides many opportunity incentives for Genesi. First, Tanzania is a relatively untapped market for computer companies. Because of this, there are many potential customers in the country. Once Genesi is able to use the police force to prove success, it will have a free, viral marketing scheme, through customer and user word of mouth. Another incentive is the connection Genesi already has with the government. Genesi can use these connections to enter other areas of the government.

Another opportunity incentive for the company is sales to civilians through the government contract. If Genesi sells its computers to government workers at a discount, it will be able to boost sales without much marketing. Because of the emerging e-commerce economy in Tanzania, civilians will be able to buy the computers with little hassle.

Liability of Foreignness

Genesi does face a liability of foreignness going into Tanzania. This is especially true, because the version of Linux that Genesi's computers runs, Ubuntu, does not have a Swahili translation. Since, Swahili is the main language spoken in Tanzania other than English, citizens of the country might reject Genesi's computers. Genesi should look into installing the Kiswahili version of Linux onto the hardware going to Tanzania, in order to avoid rejection of the computers because of language issues.

Entry Modes

As discussed earlier, Genesi will enter Tanzania first through the country's police force. This relationship will hopefully create a success story that the company can sell to other areas of the government. After Genesi has saturated the government with computers, it can begin to sell to citizens in the country by offering discounts to government employees that have already learned to use the computers. By using this export strategy, the company will be able to maintain maximum control over its product, while still making money.

Risks

The main risk other than Genesi's Liability of Foreignness plan is that the Genesi equipment and software do not work as promised. If the Tanzanian police force is not completely satisfied with the product Genesi is offering, the company will have an extremely difficult time selling to other

branches of the government. Beyond that, the company needs to ensure that the actual employees using the computers are satisfied, so they will be enticed to buy the computers once Genesi offers them for sale.

X.   Project Wrap

Simple Financial Plan

Genesi

Income Statement 2012-2013

		2012		
	Qt 1	Qt 2	Qt 3	Qt 4
Sales	$ 240,000 $	280,000 $	340,000 $	480,000
Less: Cost of goods sold	144,000	168,000	204,000	288,000
Gross profits	$ 96,000 $	112,000 $	136,000 $	192,000
Less: Operating expenses				
Selling, general and administrative expenses	37,500	43,000	50,000	56,500
Earnings before interest and taxes (EBIT)	$ 58,500 $	69,000 $	86,000 $	135,500
Less: Import expense	24,000	28,000	34,000	48,000
Net income	$ 34,500 $	41,000 $	52,000 $	87,500

		2013		
	Qt 1	Qt 2	Qt 3	Qt 4
Sales	$ 504,900 $	567,000 $	608,250 $	660,000
Less: Cost of goods sold	319,680	356,400	379,200	414,000
Gross profits	$ 185,220 $	210,600 $	229,050 $	246,000
Less: Operating expenses				
Selling, general and administrative expenses	40,500	42,000	43,000	42,000
Earnings before interest and taxes (EBIT)	$ 144,720 $	168,600 $	186,050 $	204,000
Less: Import expense	50,490	56,700	60,825	66,000
Net income	$ 94,230 $	111,900 $	125,225 $	138,000

Breakeven analysis:

Total fixed operating and import expenses		722,515
Sales price per unit	$	200.00
Variable cost per unit		120
Margin per unit		0.80
Breakeven (units)		3,613
ROI ratio		4.09

Assumptions

1st Yr Sales based on 1/5 police force
Expesnes are based on wages and prospecting activities
Import tax based on 10% of sales for electronics

2nd Yr Sales based on leases for families, devices for 6 universities, and devices for other government agenices.
Expenses based on wages, prospecting activities, and donated devices to schools
Import tax based on 10% of sales for electronics

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Risks and Mitigation Plans

The first potential risk for Genesi would be that most Tanzania government agencies would not be interested in using the smart book or smart top. If that were to occur, we would then proceed to the second phase of our plan, which would be to appeal to the civilian sector try to get the general public to buy our computers. We would also market to universities in the country. If we could convince a few universities to put computer labs into their schools, using Genesi products, we would be able to still be profitable.

The second potential risk for Genesi would be the demand for large quantities of the devices for the Tanzanian government, school districts, and the general public. If that were to occur, Genesi could outsource the assembly of the devices to another company or have Tanzanian workers assemble the parts when shipments arrive. That would create jobs and revenue for the country.

The third potential risk for Genesi would be a competitor trying to ease into the market before Genesi gets to implement its plan completely. If that were to occur, Genesi would implement more incentives for customers to use its devices, like more discounts, better customer service, and next generation hardware.

The fourth potential risk for Genesi would be rejection of the company's devices because of lack of Swahili in the operating system. If this were to happen, the company could install the Kiswahili version of Linux onto its machines and run a Swahili translation off of that operating system.

The final potential risk for Genesi would be that costs would be higher than anticipated due to various events. If that were to occur, Genesi would have to either increase the prices of its devices or cut its losses stop supplying Tanzania with its products.

Measurement of Success

Being able to sell 17,000 units to the Tanzanian government agencies, schools, and citizens would be considered a success for Genesi. Doing this would create a competitive advantage for Genesi for being the first movers into the computer industry in the industry, and will also enable Genesi to be the cost and market leader. Having most of Tanzania using the devices creates consumer value because the people will be using high-quality, low-cost computers. Value will also be created in the user development sites, as people from the country will likely constantly be trying to make the computers better. The biggest mark of success for Genesi will be to supply at least 75% of an underprivileged, developing nation access to the internet through a computer. This will empower the country to have access to information and technology that only a select few in the country had access to prior to Genesi's entrance into the market. This will spur

Tanzania's economy to new heights by creating new markets, jobs and revenue. Genesi's social objectives will also be met, by truly providing technology to the masses.

XI.   Appendices

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(See other attachment for full articles)

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Genesi

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		2012						
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Selling, general and administrative expenses		37,500		43,000		50,000		56,500
Earnings before interest and taxes (EBIT)	$	58,500	$	69,000	$	86,000	$	135,500
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Net income	$	34,500	$	41,000	$	52,000	$	87,500

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Sales price per unit	$	200.00
Variable cost per unit		120
Margin per unit		0.80
Breakeven (units)		3,613
ROI ratio		4.09

Assumptions

1st Yr Sales based on 1/5 police force	2nd Yr Sales based on leases for families, devices for 6 universities, and devices for other government agenices.	Import tax based on 10% of sales for electronics
Expesnes are based on wages and prospecting activities		
Import tax based on 10% of sales for electronics	Expenses based on wages, prospecting activities, and donated devices to schools	