

PROJECT REPORT

Of

MOBILE APP DEVELOPMENT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Mobile App development**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

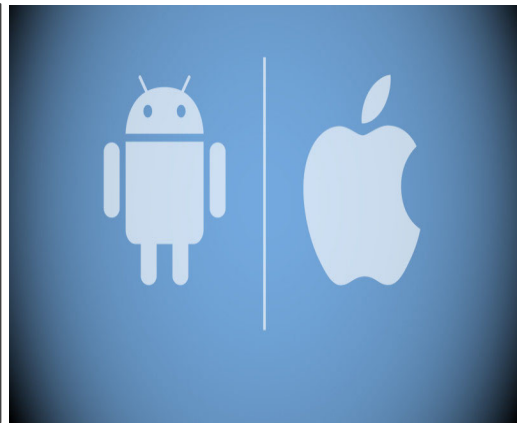


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MOBILE APP DEVELOPMENT



1. INTRODUCTION:

A Mobile app A mobile app is a software program developed for small handheld devices such as mobile phones, Smartphone's, PDAs and so on. It is generally used for the purpose of conducting different activities with higher flexibility within stipulated time. Mobile users can download and access apps directly using their smart phones (Jeanne and Jamie, 2012). The main aim of mobile application developer enterprises is to capture more people throughout the world. In addition, easier to maintain and deploy changes across various platforms and overall look and feel of apps are the main benefits associated with the use of mobile applications. However, platform integration, loss of flexibility, security and customer design of apps related challenges also attached with the use o mobile apps

One of the more popular forms of coding in recent times is the creation of applications, or apps, that run on mobile devices like phones and tablets. You probably use a range of different apps in your everyday life. Android apps are

developed with the Java coding language and the Android Software Development Kit, which runs on Mac, PC or Linux. You also need to use an IDE such as Eclipse. There are other mobile platforms such as Windows Phone, but iOS and Android are definitely the most popular. Most Mobile App development focuses on these platforms.

2. SERVICE & ITS APPLICATION:

Custom mobile apps are gaining momentum - as per the reports, on an average, about 7.5 hours per employee per week are saved by using customized mobile apps, and 82% of the business owners believe that it helped them earn additional business revenues!

Custom mobile apps can be partially or fully personalized to suit your business needs. These apps are altered to address a particular audience rather than providing a solution which caters to a large group with varying requirements. This is the major reason why custom mobile app development is gaining traction and proving to be an attractive option for businesses.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Promoter for this service may have higher studies in application development as well as background of sales and marketing can be a value added plus point so that it brings down the cost of building project and also make the implementation smoother and it will require less time to build with greater quality.

4. INDUSTRY LOOK OUT AND TRENDS

Mobile apps have made a great contribution to a lot of businesses in a variety of different industries. It used to be considered an optional addition to one's overall marketing and business development efforts, however, it has now become a necessity as it increases usability, meeting customer's demands while building brand awareness and increasing sales. Mobile app development is on the upraise, With over 250 billion free apps downloaded in 2017 alone, an increase for these

downloads is also expected to continue for many years to come. If you are in the mobile app development industry, below are some development trends that you should watch out for in 2018, as growth is expected to continue.

5. MARKET POTENTIAL AND MARKETING ISSUES:

These days, businesses of all kinds, whether small, medium or large are taking advantage of the customized business apps as it helps them stay competitive and increase productivity. Here are some of the most popular advantages of custom mobile app development for businesses –

1. Improves Efficiency

Since the business apps are custom-built keeping your business requirements in mind, it acts like a comprehensive app performing diverse functions and negates the requirement of multiple apps. Also, as these apps are tailored to suit your working style, it enhances the employee productivity and in turn business ROI.

2. Offers High Scalability

Regular apps are built to handle limited number of resources and processes. In the event of your business growing, these apps may not be able to handle the load. Custom made apps, on the other hand are built keeping in mind all these parameters and can be scaled up easily when the need arises

3. Secures Your App Data

General business apps may or may not have the specialized security features, which may put your business data to risk. Having a custom app made solely for your business can reinforce your data security system, as relevant security measures will be taken care of according to your business needs while app development

4. Integrates With Existing Software

General business apps may be able to function smoothly with your existing software. Custom made apps are built taking into consideration your current business software and hence are guaranteed to integrate well and function without any errors

6. REQUIREMENTS – Material/Equipment and manpower

Resources

1. Computers with latest OS and Network Infrastructure
2. Advanced Software required in application development

Manpower

1. Software developers: 2 or 3 minimum, who are skilled to write code in various languages according to requirement
2. Tech-Support: 1 who can manage server data and hosting
3. Sales and marketing: 1 or 2 who can work on official documentation and can re-present project in front of client.

7. MANUFACTURING PROCESS:

- **Application target users**

An app should always be developed keeping in mind the target users of an application. Having a clear vision regarding the target group, enhance the success ratio of an app.

- **Mobile platforms and devices to be supported**

Mobile platforms and devices should be selected keeping in mind hardware performance, battery life, ruggedness and required peripherals. Certain factors that needs to be considered while selecting mobile platforms and devices includes coverage, device support, performance and other features.

- **Revenue model**

The app market is booming like never before. To ensure this resource and generate revenue app developer need to select appropriate approach in accordance with the app. There are different models of generating revenue from mobile applications which include paid applications, separate app and in-app freemiums, advertisements, subscription and pay per download. These techniques can be employed to generate revenue. However, the developer's approach has to be in accordance with the application. It is highly essential for the developer to attract the user and spend money on the various aspects of the application. Testing, collecting feedbacks and fixing bugs: Although testing is something that's done throughout the development process as well, there will always be bugs left. And we're not only talking about software bugs. Even a design can be buggy. So after giving the final touch the site will be ready to go live!

Mobile App Development

COST OF PROJECT

S.NO.	PARTICULARS	TOTAL COST	MARGIN	LOAN
1	Land & Building		0.00	Rented
2	Plant and Machinery	3.10	0.78	2.33
3	Furniture & Fixture	0.80	0.20	0.60
4	Contingencies	0.30	0.08	0.23
5	Pre and Post operative and	0.50	0.50	0.00
6	Margin for Working Capital	3.18	0.88	2.31
	Total	7.88	2.43	5.46

MEANS OF FINANCE

S.NO.	PARTICULARS	AMOUNT
1	Own Contribution	1.55
2	Term Loan	3.15
3	Working capital	3.18
	Total	7.88

PRODUCTION CAPACITY(Per annum)

Working Days : 300 days

S.NO.	PARTICULARS	Production/year	Weight/unit(gms)	Quantity(Tonnes)
1				
	Total			<u><u>0</u></u>

TOTAL CAPITAL INVESTMENT		Rs.
1	Total Fixed Capital	4.50
2	Working Capital for 3 Months	3.18
	Total	7.68

FIXED CAPITAL

(i)	Land and building			Amount(In Rs.)
	1500 sq ft area			Rented
(ii)	Machinery and Equipment			
S.no.	Description	Qty. nos.	Price/unit	Amount(In Rs.)
1	Computers - with all necessary hardware and installed Windows and MS Office	4	30,000.00	120,000
2	Vehicle	4	45,000.00	180,000
3	Network Installation devices	1	10,000.00	10,000
				310,000.00
	Total	<i>In Lac</i>		<u>3.10</u>
	Pre and Post Operative Expenses			0.50
	Furniture and Fixture/ Office Equipment			0.60
	Contingencies			0.30
	Total Fixed Capital			<u>4.50</u>

TOTAL WORKING CAPITAL 2 MONTHS				Rs.
1	Salary and Wages		(i)	1,314,000.00
2	Raw Material		(ii)	200,000.00
3	Utilities		(iii)	103,330.00
4	Other selling and administrative Expenses		(iv)	293,400.00
Total				19.11
Working Capital for 2 months			Rs in Lakhs	3.18

B. WORKING CAPITAL

(i) Staff and Labour

S.No.	Designation	No.	Salary(Rs.)	Total(In. Rs.)
1	App Developer	3	15,000	45,000
2	Tech Support	1	8,000	8,000
3	Marketing Support	2	10,000	20,000
4	Quality testing person	1	15,000	15,000
5	Accounts/Stores Assistant	1	12,500	12,500
6	Office Boy	1	9,000	9,000
				109,500.00
Total Annual Salary		9		1,314,000.00

(ii) Raw Materials including packing material

No of Days 300
Cap Utilisation 100%

S.No.	Particurs	Rate(Rs)	Quantity(Tonne)	Total(In. Rs.)
1	Software requirement	LS		200,000.00
2	Software Licensing			
3	Network Installation			
4	Bulk Hosting Service			-
Total				200,000.00

(iii) Utilities

CALCULATION OF POWER EXPENSE		
Total Power Load Required	HP	5
No of Days		300
No of Hours		10
Total Power Expense	KWH	11190
(i) Power Supply from UPPCL	100%	11190
COST OF POWER		
(I) Cost of power from UPPCL (@7/- per Unit)		78,330.00
Add : Fixed Cost		25,000.00
Add : Lubricants		-
Total Annual Power Expense		103,330.00

(iv) Other Expenses

S.No.	Particulars		Amount(In.Rs)
1	Rent		180000.00
2	Repair and Maintenance		15000.00
3	Postage and Stationery		5000.00
4	Telephone Charges		25000.00
5	Insurance		5000.00
6	Sales Expenses	1% of Sales	38400.00
7	Miscellaneous Expenses		25000.00
	Total		293400.00

FINANCIAL ANALYSIS

(i) Cost of Production

S.No.	Particulars		In. Rs.
1	Total Recurring Expenditure		19.11
2	Depreciation on Plant and Machinery @ 60%		1.86
3	Depreciation of Furniture/Fixture & Office Equipment @ 10 %		0.06
4	Finance Cost		0.76
	TOTAL COST OF PRODUCTION	(in Lacs)	21.79

(ii) Turnover (per annum)

Months 12

S.No.	Particulars	Rs cost /unit	Qty/pm	sales/month	Revenue Per year Rs.
1	Native App	40,000	2	80,000	960,000.00
2	Web App	30,000	4	120,000	1,440,000.00
3	Hybrid App	60,000	2	120,000	1,440,000.00
	TOTAL TURNOVER				3,840,000.00
			Or Say	(In Lacs)	38.40

Profit

(ii)	Turnover - Cost of Production	(In Lacs)	16.61
	Percentage profit on sales		43.26%
	At 100% capacity utilisation		

RATIOS :

i) **Rate of Return on Total Capital Investment**

= Net Operating Profit/ Invested Capital

= 216%

ii) **Return on Assets**

= Sales/Average total Assets

= 3.69

iii) **Return on Equity**

= Sales/ Stockholder's Equity

= 10.72

iv) **Debt to Equity Ratio**

= Total Term Liabilities/Total Shareholder's Equity

= 2.03

v) **Interest Coverage Ratio**

= Earning before Interest & Tax/ Interest Expense

= 22.85

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