FLITS
– Business Plan –

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1. **Executive summary**

Flits is a multi sided cloud platform that allows concertgoers and music enthusiast to find nearby trending music events. It is one-stop music event discovery solution for anybody who aspires to know what music events are happening in the desired location – be it anywhere around you or in the city you plan to visit over the next weekend. The core value of Flits is providing real-time multimedia (text, photo, audio, video) insights form ongoing live[1] music events.

The mobile service consists of two substantial components: (1) The large (yet to certain extent curated) database of small and medium size music events with detailed information about the performing artists, location of the venue, ticket price etc.; and (2) social network of concertgoers and live music enthusiasts.

On the B2C side, Flits simplifies the process (hassle) of searching for music events. Our team has found out that as of now, any concertgoer who is looking for a trending life music event have to open up to 8 different websites and applications (from generic Google search to databases like Yelp or Trip Advisor) in order to get the factual picture of what is on around them. Flits solves this pain by providing instant information about the concert situation in music venues by delivering user generated updates to the mobile app.

The B2B side of Flits is a powerful promotional tool for music venues and festivals. It allows the managers to cost-effectively promote their events in real-time, attract consumers to discounts and time-limited offers, inform the concertgoers about the

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[1] By "live music events" we mean any music show that is publicly available including DJ sets, Discos etc.

latest news from the shows, and ultimately boost the events' exposure, turnout and ticket sales.

The business model of Flits stands on 4 piers. We plan to capitalize on: (1) Ticket sales through our platform; (2) geo-localized advertising in the live feed of the application; (3) promotional packages for festivals; (4) subscriptions packages for music venues.

We will generate traction by partnering with ticketing companies, local music event databases, music festivals, and music schools. For every new market entry, we plan to hire local marketing agency or exceptional freelancer, to carry out the campaign of the launch. The reason for doing so is that we believe that the knowledge of the environment is necessary.

1.1 Activity

Flits is a one-stop platform, that solves the needs of concertgoers, venues, and musicians.

Unlike most of the competitors (Vamos, Bandsintown, Exceed, Fever) the B2C side of Flits focuses on: (1) Providing real-time information about the situation in the venue at the time of the event, which enable the users to base their event decision not only on the genre of music and location of the venue, but also on the prevailing atmosphere at the show; (2) giving the users the option to socialize and interconnect with other users from the respective Facebook network, to share lists of favorite venues, and see friends' attendance at the events; (3) publishing the exhaustive information about the event, including artists' bio, links to their social media channels, excerpts of the recorded music

(SoundCloud, Spotify) and life performances (YouTube), location of the venue, price of the tickets and many more.

To scale the business quickly internationally, we will aim to outsource the back-end data flow (info about events, venues, artists in our database). We will partner with local databases (e.g. online city culture magazines) in order to receive access to their APIs. However, two other scenarios may arise: (1) if such provider won't be available in the location, we will inject the data in the database manually; (2) if the provider refuses to open the API for Flits, we will deploy data scrapping – a legal technique that uses algorithms to scrape data from any publicly available website.

1.2 Mission

Flits navigates concertgoers to the music of their choice by providing real-time user generated insights into the music events happening in any city.

The music industry is without saying increasingly driven by digital technologies. All suppliers along the value chain have to adapt to the transformation and embrace digital technology as to succeed at the marketplace. We strongly believe that our product gives a powerful tool to our three main stakeholders: concertgoers, musicians, and venues.

Firstly and most importantly, our product solves the pain of concertgoers searching for music events. Concertgoers and music events enthusiasts are the mass end users of our mobile service. Flits gives a response to the question: 'Where should I go tonight to enjoy my favorite music?' without the necessity of spending half an hour searching on

Google or reaching friends for last minute advice. In addition to thorough programming information provided by the management of the venues, Flits collects and transmit real-time feedback of the events and venues generated by the users.

Secondly, Flits is a powerful marketing tool for venues and their managers. The mobile application is an efficient promotion format for direct targeting of the right audience due to the fact, that most concertgoers look for and enter events just a few hours before or even during their duration. To be in charge of editing the promotional info and provide last minute promotional offers give the venues opportunity to maximize turnout and thus increase revenues from ticket and alcohol sales.

Finally, Flits addresses the need of musicians seeking for efficient promotion of their non-music venue events. Interestingly enough, significant fraction of music events publicly available takes place in other places than official professional music venues. These events usually accounts for performances with smaller audiences in local arts spaces (galleries, museums, theaters etc.), dining places (restaurants, cafes etc.) and open-air shows (busking). Yet, those performances noteworthy in volume and delivered by professional musicians often lacks any kind of promotion what so ever.

Table 1: Pains & Gains

Flits navigates concertgoers to the music of their choice by providing real-time user generated insights into the music events happening in the city.		
Concertgoers (B2C)	Venues (B2B)	Musicians (B2C)
Pain: No-single stop mobile application for music events in any city **Solution:** Hassle-free search for trending music events based on location & genre (and other criteria such user generated venue ratings, videos, photos), mobile application	**Pain:** Cost-inefficient marketing with problematic targeting **Solution:** Precisely targeted geo-localized promotion, last minute marketing for ''walk-ins'', special offer and discounts management to boost turnout and ticket sales	**Pain:** Promotion for non-music venues and other non-standard location for music performances **Solution:** Facebook fan page sign up in the application allows create events that appears on the lists and map views of all events

1.3 Vision

Flits operates with a highly scalable business model. It is in the service's nature to grow internationally and expand to any culturally rich urban area. The fact that the service uses open API of third parties (Facebook and other social media profile credentials are required for sign up in order to open the full functionality of the application) also enables its viral growth. In other words, users of the application are able to connect and invite friends from their own networks.

Within the first year, our aim is to prove the feasibility of the concept, test, and implement basic functions of the application in Valencia, Prague, and Boston. In order to fulfill this goal, our team is going to apply for accelerator programs and fundraise seed capital.

The pre-launch in Valencia (May) will be followed by 3 month long (August to October) market entry in Prague. By then, with the base counting almost 8.000 users, we will expand to Boston and initiate serious fundraising efforts to scale the business internationally. By the end of the first year, the team will grow to up to 5 members, including Android and iOS developers (CTO), front-end developer, business development manager, and CEO. Flits will strive for entering into strategic partnership with local online databases of music events and artists (such as Bandzone.cz in Prague), ticketing providers (such as Smsticket.cz in Prague), as well as Berklee College of Music and other major music education institutions.

In three years time, Flits will be internationally renowned platform serving over 300k users (iOS and Android combined). By then, Flits will have expanded its team and establish offices in Berlin and Boston. Flits will be number one service providing real-time information about trending events in all major European music hubs, including Berlin, London, Paris, Madrid, Vienna, and Prague etc. After establishing a secure position in Boston within the three years of operations, its US expansion will continue to NYC, LA and Chicago.
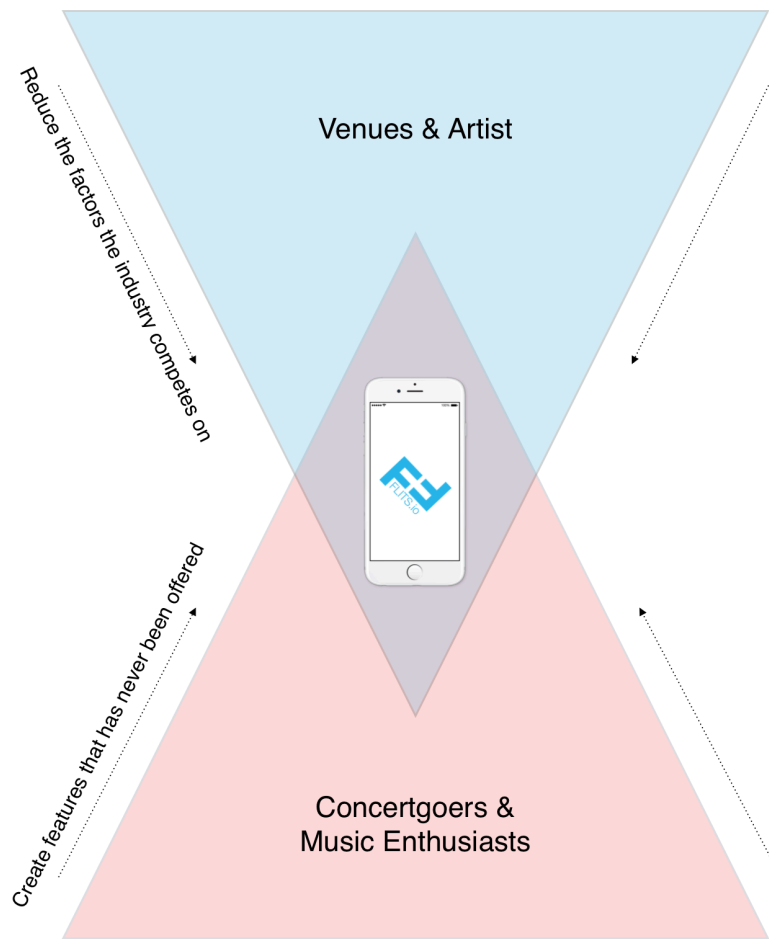
1.4 Value innovation

By working day in and day out on Flits, we strongly believe, that technology is yet to radically streamline the urban music event discovery. Having assembled a team of music and technology lovers, we strive for simplification of musicians', venues', and concertgoers' lives.

To sketch out the value innovation of Flits, we use variation of Blue Ocean Strategy framework. Figure 1 explains, how gets the value created and further expands for both venue and artist on one side, and concertgoers and music enthusiast on the other.

(1) By simplifying the process of searching for music events and providing real-time multimedia updates from ongoing events, the value of the service is lifted for concertgoers and live music event enthusiasts.

(2) By reducing costs and streamlining promotion efforts, the value of the service raises for venues and musicians. Flits provides precise targeting tool, since the main audience (user base) consists of concertgoers.

Figure 1: Value innovation model of Flits

Reduce the factors the industry competes on

Venues & Artist

Create features that has never been offered

Concertgoers &
Music Enthusiasts

1.5 Corporate Culture

As of now, Flits team has five international members of diverse age range – German (34), Spanish (44), Czech (24), Colombian (28), and Mexican (25) – for a good reason. We believe that the diversity of the funding team is crucial for the successful global expansion of our product and for building up the network of mentors and partners. The current characteristics of the team reflect one of the basic HR strategies of our company for the future.

We love startups and music. And so do have to the people we would like to collaborate with. The internationality of the team poses the need for high level of commitment and self-discipline, since we can't always reside in the same office. Therefore, we look for motivated individuals that naturally want to make things better and break through the status quo. Entrepreneurship is fostered within the team. From bottom up, all team members are encouraged to bring new ideas and improvements exceeding the scope of the subject of their employment.

1.6 Business Model

We plan to generate revenue from 4 independent revenue streams. The model (see Figure 1) is based on active connection between the main 3 stakeholders of Flits: venues, artists (musicians), and concertgoers. Through our platform, they all together create a stable ecosystem (see the inner orbit of Figure 1), which we are going to capitalize on in these ways:

A. Ticketing

The users will be able to purchase tickets for the shows of their choice directly in the Flits application. The main functions will include the option to save the credit card for future orderings, buy and send ticket to a friend, see the history of purchases etc. First, we will make an affiliate marketing deals with existing ticketing services (e.g. Smsticket.cz in Prague) and earn a commission for the leads through our platform. Later on, we will build our own ticketing platform in order to maximize the gain from the commission and fully secure the distribution channels.

B. Promotional packages for festivals

Multi-location music festivals (e.g. The Great Escape, UK) always struggle with managing queue times and providing updated insight from their venues. For a flat fee, festivals' managers will be able to upload their programming materials into our platform. The package will include the special visibility in the application (presence in "festival" bookmark in the side menu of the application, custom icons on the map etc.) and additional marketing (mentions on Flits' social media channel, direct mailing list, home website etc.).

C. Subscriptions for venues

As the platform will grow, so will our database of events and venues. For a regular subscription fee, limited number of venues will receive special visibility in the application (such as higher position in the lists, customizable icons on the map, mentions on platform's social media and other marketing channels).

D. Geo-localized advertising

Among the main functionalities of Flits application is the live feed from all the events around the city. All the active users who send multimedia updates to the application generate it. The feed is stored in one place in the application (instant stream of user-generated multimedia posts), so the user can locate the trending events. Geo-localized promotional posts will occasionally penetrate the feed (e.g. Facebook

home page view – friends' activity is mixed with advertising). To do so, we will utilize professional mobile advertising network.[2]

Figure 2: Business model of Flits
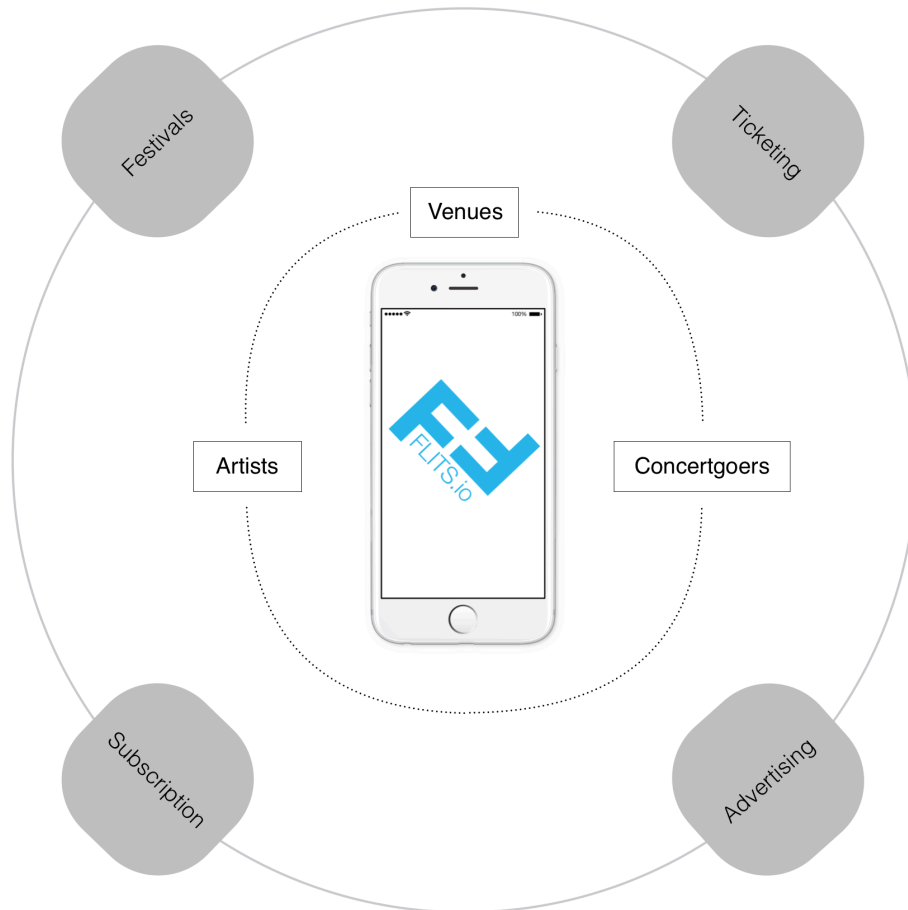
2. Business Environment

2.1 Market size

We determine the market size of Flits by using TAM – SAM – SOM methodology.

[2] Marshall, Matt. 'The Top 10 Mobile Advertising Companies.' VentureBeat. Accessed 15 June 2015. http://venturebeat.com/2013/06/12/the-top-10-mobile-advertising-companies/.

TAM – Total Available Market: Total market demand of the product

SAM – Serviceable Available Market: Target market segment

SOM – Serviceable Obtainable Market: Portion of the SAM in the company markets

Further we will make assumption on the value of a customer in order to get a more specific number on the market value per se.

Applying the methodology to Flits we capturing the following values:

Flits Music GmbH, 6/2015

TAM (USA/ Europe)	User	Market value
Value	40 m[34]	4bl€
Assumption	The typical Flits users are students. Referring to EUROSTAT and the Institute of Education Science (IES) we found out that we have 20 million students in the Europe Union (EU) and 20 million in the USA. Please note for the EU that we only considered countries with more than 400.000 students in a country	We assume a value per customer of 10€

SAM (USA / Czech Rep.)	User	Market value
Value	18 m[5]	90m€
Assumption	Mobile penetration of US citizen in the age group 18-34 = 85%[6] Mobile penetration of Czech Republic citizen = 75%[7]	We assume a value per customer of 5€

SAM (Boston / Prague)	User	Market value
Value	≈220.000[8]	220.000m€
Assumption	Number of students in Boston: 160k[9] (mobile penetration 85% = 136.000) Number of students in Prague: Referring to Eurostat, Prague has 440.000 students. We assume that ¼ are studying in Prague: 110.000 (mobile penetration 75% ≈ 83.000)	We assume a value per customer of 1€

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[3] 'The NCES Fast Facts Tool Provides Quick Answers to Many Education Questions (National Center for Education Statistics)' (National Center for Education Statistics), accessed 5 May 2015, http://nces.ed.gov/fastfacts/display.asp?id=372.
[4] 'Database - Eurostat', accessed 14 June 2015, http://ec.europa.eu/eurostat/data/database.
[5] 'The NCES Fast Facts Tool Provides Quick Answers to Many Education Questions (National Center for Education Statistics)' (National Center for Education Statistics), accessed 5 May 2015, http://nces.ed.gov/fastfacts/display.asp?id=372.
[6] 'Mobile Millennials: Over 85% of Generation Y Owns Smartphones', accessed 1 June 2015, http://www.nielsen.com/us/en/insights/news/2014/mobile-millennials-over-85-percent-of-generation-y-owns-smartphones.html.
[7] 'Czech Republic Just Tops Russia for Mobile Penetration', accessed 1 June 2015, http://www.emarketer.com/Article/Czech-Republic-Just-Tops-Russia-Mobile-Penetration/1012047.
[8] 'The NCES Fast Facts Tool Provides Quick Answers to Many Education Questions (National Center for Education Statistics)' (National Center for Education Statistics), accessed 5 May 2015, http://nces.ed.gov/fastfacts/display.asp?id=372.
[9] 'Boston Redevelopment Authority', accessed 1 June 2015, http://www.bostonredevelopmentauthority.org/getattachment/3488e768-1dd4-4446-a557-3892bb0445c6/.

2.2. Competitive landscape

Flits is overlapping two different markets with an increasing density of competition. The first is an event (ticketing) market. The second is real-time discovery market, which will likely expand within the next few years. As evidence, companies like Twitter and Foursquare are heavily investing in real-time information services.[10]

Since almost every bigger city operates a website informing about local cultural events, the business plan focuses only on big international players – web and mobile applications.

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[10] 'Neue App Mit Lokalen Echtzeit-Infos: Wie Lange Ist Die Schlange?' (Neue Zürcher Zeitung, 20 April 2015), http://www.nzz.ch/mehr/digital/wie-lange-ist-die-schlange-ld.251

Table 3: Competitive Landscape

	Bandsintown	Songkick	Vamos	Xceed	Fever	Visor	Banjo
Based	San Diego	London	Berlin	Madrid	New York	New York	Redwood
Funding	60m $	N/A	N/A	N/A	8,3m $	500k $	121m EUR
User base	16m (2015)	10m (2014)	N/A	8k (2015)	N/A	N/A	4m (2015)
Core country	US	US, UK	Germany	Spain	Spain, UK, US	USA	USA
Since	2004	2007	2012	2014	2014	2014	2011
Description	Concert discovery app powering the tour dates for over 270K artists worldwide.[11]	Allows organizing and tracking favorite bands, getting concert alerts, and buying tickets.[12]	Everything from Art & Entertainment, Food & Drinks, Fashion to Clubs & Parties.	Party in town: access to guest lists, book tickets, reserve VIP & bottle service.[13]	Provides curated and personalized list of local events based on user preferences[14]	Request a photo or video from any location, right now.	Real-time content discovery by location across social networks.[15]

[11] 'Bandsintown Group', accessed 12 April 2015, https://www.crunchbase.com/organization/bandsintown-group.

[12] 'Songkick', accessed 12 February 2015, https://www.crunchbase.com/organization/songkick.

[13] 'Xceed', accessed 13 February 2015, https://www.crunchbase.com/organization/xceed-me.

[14] 'Fever', accessed 13 February 2015, https://www.crunchbase.com/organization/fever-3.

[15] https://www.crunchbase.com/organization/banjo

In order to fully comprehend the competition, we provide a competitive profile matrix (CPM). Hereby, we identify the key competitors and using critical success factor (CSF).

In our assumptions, we identified the following:

1. Innovation of the product – business plan / technology

2. # Customer base

3. Financial background – how much funding did they received

4. Product Quality – functionality of the app/ website etc.

Each critical success factor will be assigned a value between 0.0 (low) and 1.0 (high). The number indicates how important the factor is in succeeding in the industry. The rating (Rt) shows how well a company is doing in each area. They range from 4 to 1, where 4 means a major strength, 3- minor strength, 2- minor weakness and 1- major weakness. The score (Sc) is the result of weight multiplied by rating.[16]

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[16] Ovidijus Jurevicius, 'Competitive Profile Matrix (CPM)', 29

Table 4: Critical success factor

		Event discovery										Real-time					
		Bandsintown		Songkick		Vamos		Xceed		Fever		Visor		Banjo		Flits	
CSF	Weight	Rt	Sc	Rt	Sc	Rt	Sc	Rt	Sc	Rt	Sc	Rt	Sc	Rt	Sc	Rt	Sc
Innovation of the product	0.4	2	0.8	2	0.8	3	1.2	1	0.4	2	0.8	4	1.6	4	1.6	3	1.2
User base	0.3	4	1.2	4	1.2	2	0.6	1	0.3	2	0.6	1	0.3	3	0.9	1	0.3
Financial background	0.2	4	0.8	4	0.8	3	0.6	2	0.4	3	0.6	2	0.4	4	0.8	1	0.2
Product Quality	0.1	2	0.3	3	0.3	3	0.3	2	0.2	3	0.3	2	0.2	4	0.4	1	0.1
TOTAL	1	-	3.1	-	3.1	-	2.7	-	1.3	-	2.3	-	2.5	-	3.7	-	2.2

Figure 3: Competitive profile matrix
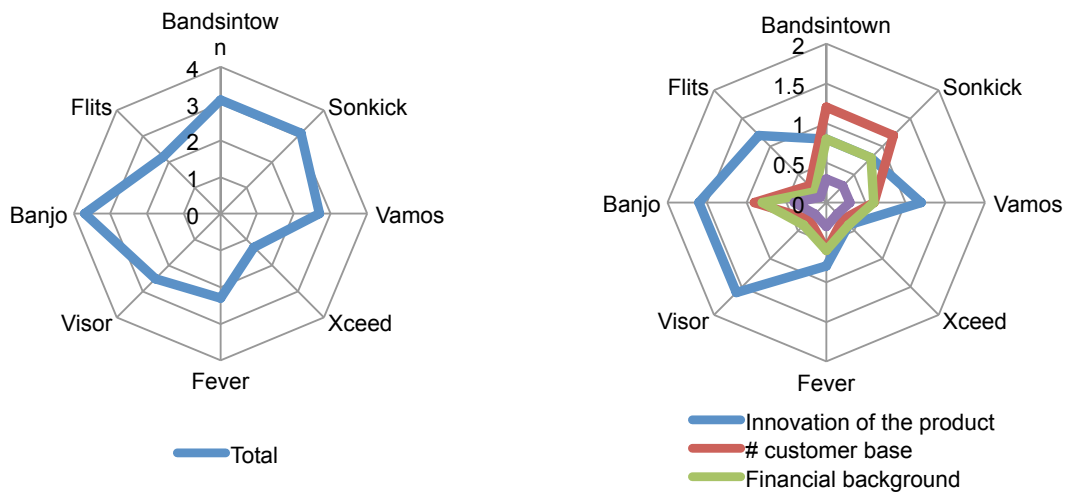
The CPM shows that the biggest competitors are Banjo and Bandsintown / Songkick. To have even a better understanding of the competitors we compare the main app product feature in the following table.

Table 5: Functionalities

	Event discovery					Real-time		
Ticket purchases	X	X	X	X	X			X
Tracking of Artist	X							
In app music examples	X		X				X	X
VIP admission	X			X	X			
Surprise give-aways					X			
See attendance	X		X		X		X	X
Real time information						X	X	X
Concert alerts	X	X		X				
Map overview	X		X			X		X
Pics of past events			X	X		X	X	X
Invitation option			X		X			X
Messaging possibility					X	X		X

On the event side, we see that ticket purchase is the key element of each event discovery platform and which is also represent their main revenue streams. We also see that the 4 out of 7 competitors are offering to see the attendance list. Furthermore, we see the importance to offer the related products on both platforms. As Table 5 shows, most of our competitors are focusing on concerts and parties. Fever range is outstanding by offering different event possibilities. Flits will focus on festival, concerts & party information.

Table 6: Market segmentation

	Event discovery					Real-time		
Festivals					X		X	X
Concerts	X	X		X			X	X
Parties			X	X	X			X
Theater					X			
Sport		X	X		X		X	
Exhibitions					X			
Restaurants			X		X			
Comedy Shows					X			

3. Customer

The ideal customer of Flits will be detailed under demographic, geographic, psychographic and behavioral aspects

A. Demographics

- Age: 21

- Income: low to mid income (value depends on country)

- Profession: Student

- Education: Bachelor

- Family status: Single

- Level of tech savviness: High

- Tech preferences: Apple devices

B. Geographics

- Place of residence: Big cities above 800.000 inhabitants

- Countries: USA, Europe (countries with > 400.000 students)

C. Psychographics

- Humorous and trendy language style

- Explorer: Energy - autonomy, experience, challenge, new frontiers. Brand choice highlights difference, sensation, adventure, indulgence and instant effect - the first to try new brands

- Reformer: Freedom from restriction, personal growth, social awareness, value for time, independent judgment, tolerance of complexity, anti-materialistic but intolerant of bad taste. Curious and enquiring, support growth of new product categories. Select brands for intrinsic quality, favoring natural simplicity, see minimalistic as beautiful.[17]

D. Behavior

- Out going

- Sophisticated

- Active social media user

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[17] 'Study Room - Business - Marketing - Analysing the Market - Demographic Segmentation', accessed 24 April 2015, https://www.examstutor.com/business/resources/studyroom/marketing/market_analysis/8_psychographic_segmentation.php.

- Music streaming user

- Early adopter of electronic gadgets

4. Marketing Plan

Referring to Statista, 1.4m[18] apps are available in the apple app store in 2015. Whereas 6% referring to entertainment and 2%[19] to social media apps. In order to become visible in the app store and generate downloads a specific marketing plan is necessary. Flits is planning to have around 12.000 downloads until, end of the year. The market entry for Prague is scheduled for August 15, for Boston December 1.

Table 7: Marketing plan
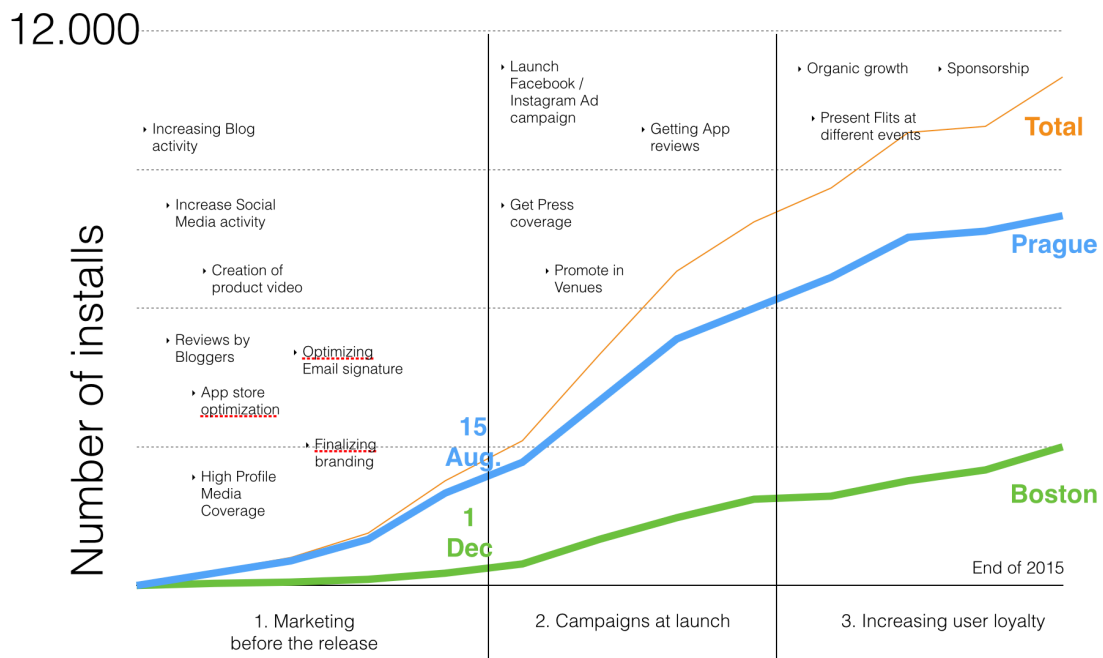
Table 8: Marketing plan

Time	Activity	Description	Measures / KPI
Marketing before the release	Increase Blog activity	Posting of blog entries on different platforms but also on Flits.io	10 blog entries
	Increase social media activity	Mainly on Facebook and Instagram	3.000 followers on FB and Instagram
	Creation of Product Video	Showing main features of the product, introduction of team	2 videos
	Reviews by blogger	Get in contact with influential bloggers and convince them to write about the app	10 bloggers
	Optimizing Email signature	Put a catchy sentence in the email signature together with the link to download Flits	All personal email accounts as well as the flits email account of all team members
	App Store optimization	Optimization of preview pictures and the description of the app	Define 3 preview pictures
	High Profile Media Coverage	Hire Marketing agency in order to get multi channel media coverage	Contact Darkside.cz / Creativedoc.cz / webproduction.cz and finalize action plan
	Finalizing branding	Logo, online presence, color scheme etc.	Finalize before the release
Campaigns at launch	Launch Facebook / Instagram campaigns	Launch Facebook / Instagram campaigns	Finance of 10 campaigns
	Getting App reviews	Ask friends & family to rate the app in the app store	Ask all family members with iPhone
	Getting Press coverage	Getting press coverage in print and online	Contact 5 print media houses
	Promos in venues	• Conduct events in a specific venue • Distribute flyers	• 3 venues • All major venues in Prague and universities
Increasing loyalty	Organic growth	Social media and mouth to mouth propaganda	New investment in online campaigns
	Present Flits at different events	Present Flits at music festivals / conferences / guest speaker	2 festivals 2 national conferences 1 int. conference
	Sponsorship	Different events such as concerts or conferences	3 concerts 1 sponsorship of conference

5. Financial Projections

As mentioned above, we plan to capitalize on 4 different revenue streams: (1) ticketing – first as affiliation marketing and then building or own ticketing platform, (2) advertising – both mobile and web, (3) promotional packages for festival, and (4) subscription model, which will allow venues to gain more visibility within the platform. Besides the projected growth of the income of the platform, the revenue model (Table 10 – 12) shows, the key performance metrics, conversion and growth rates etc.

The growth of the platform as a whole is directly link to the strategic expansion and set of planned market entries both in Europe and USA.

Table 9: Budget

Financial Projections: Setup Budget

Costs		Title	Description	Cost per unit	# per year	# of units	Total	CAPEX/OPEX
Costs	G&A	Salary: C-level	CEO, CTO (10 EUR / hour)	€ 1 600,00	12	2	€ 38 400,00	OPEX
		Salary: Co-founders	Business development, Front-end development (Mininal wage in Germany 8,50 EUR / hour)	€ 1 360,00	12	2	€ 32 640,00	OPEX
		Software	Slack, Prototyping, Project management, Quick Books, Design	€ 10,00	12	1	€ 120,00	OPEX
		Office rent	Office (including internet, phones, utilities etc.)	€ 200,00	12	1	€ 2 400,00	OPEX
		Travel expense	Boston, Berlin etc. (covered by inidividuals - claimed as owner's investemnt in PnL)	€ 200,00	4	2	€ 1 600,00	OPEX
	Legal	Term sheet	Investments (Dilution: Seed funding, VC)	€ 500,00	1	1	€ 500,00	OPEX
		Incorporation	Legal fees: Relatinship owners - equity, Bylaws	€ 1 000,00	1	1	€ 1 000,00	CAPEX
		Intellectual property	Trademark application: USPTO, WIPO	€ 1 500,00	1	1	€ 1 500,00	CAPEX
		Term of use / privacy policy	Terms of use and privacy policy (Freemium, Memberships)	€ 200,00	1	1	€ 200,00	CAPEX
	Marketing	Ads	Social media (Facebook ads), Google Ads (PPC),	€ 50,00	12	1	€ 600,00	OPEX
		Website	Website (landing page, hosting, domains), Affiliate programs	€ 70,00	1	1	€ 70,00	OPEX
		Direct	Direct mailing (Mailchimp - mail database)	€ 10,00	12	1	€ 120,00	OPEX
		Offline	In-venue promotion: Flyers, Banners, Posters	€ 60,00	12	1	€ 720,00	OPEX
		Launch campaigns	New market entry marketing & PR campaign	€ 3 000,00	4	1	€ 12 000,00	OPEX
	Sales	Software	Slack, Prototyping, Project management, Quick Books, Design	€ 10,00	12	1	€ 120,00	OPEX
		App Store, Google Play	Publishing fees	€ 125,00	1	1	€ 125,00	OPEX
Total							€ 92 115,00	
OPEX Total							€ 89 415,00	
CAPEX Total							€ 2 700,00	

Flits Music GmbH, 6/2015

Table 10: Revenue model (Year 1)

Finacial Presumptions: Revenue Model		Prague				Boston								
						2016								
Revenue Stream	Data	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Year 1 Total
	Accumulated # of venues in the database	50	100	150	200	250	300	350	400	450	500	550	600	
	Growth rate % of # of venues / # of users	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
	Accumulated # of users (downloads)	2 400	4 800	7 200	9 600	12 000	14 400	16 800	19 200	21 600	24 000	26 400	28 800	
	% of downloads that convert to active users	60,00%	60,72%	61,45%	62,19%	62,93%	63,69%	64,45%	65,23%	66,01%	66,80%	67,60%	68,41%	
	Growth Rate % of conversion from download to active user	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	
	# of active web users	1 200	2 400	3 600	4 800	6 000	7 200	8 400	9 600	10 800	12 000	13 200	14 400	
	Web traffic	9 600	19 200	28 800	38 400	48 000	57 600	67 200	76 800	86 400	96 000	105 600	115 200	
	# active mobile user total	1 440	2 915	4 424	5 970	7 552	9 171	10 828	12 523	14 258	16 032	17 847	19 703	
	Mobile traffic	11 520	23 316	35 394	47 759	60 415	73 368	86 623	100 186	114 062	128 256	142 774	157 623	
	# of active users total	2 640	5 315	8 024	10 770	13 552	16 371	19 228	22 123	25 058	28 032	31 047	34 103	
	Traffic total	21 120	42 516	64 194	86 159	108 415	130 968	153 823	176 986	200 462	224 256	248 374	272 823	
Ticketing (affiliation marketing)	Conversion rate of traffic to link click	1,00%	1,01%	1,02%	1,03%	1,04%	1,05%	1,06%	1,07%	1,08%	1,09%	1,10%	1,12%	
	Growth rate % of conversion rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	# of clicks	211	429	655	888	1 128	1 376	1 633	1 898	2 171	2 453	2 744	3 044	
	Conversion rate of click to purchases	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
	# of purchases	11	21	33	44	56	69	82	95	109	123	137	152	
	Average ticket price	€ 10,00	€ 10,10	€ 10,20	€ 10,30	€ 10,41	€ 10,51	€ 10,62	€ 10,72	€ 10,83	€ 10,94	€ 11,05	€ 11,16	
	Growth rate of average ticket price	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	Affiliate % of purchase price commission	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
	Affiliate revenue total	€ 10,56	€ 21,69	€ 33,40	€ 45,73	€ 58,70	€ 72,34	€ 86,67	€ 101,72	€ 117,53	€ 134,12	€ 151,53	€ 169,79	€ 1 003,77
Advertising	RPM mobile	€ 1,58	€ 3,21	€ 4,87	€ 6,57	€ 8,31	€ 10,09	€ 11,91	€ 13,78	€ 15,68	€ 17,64	€ 19,63	€ 21,67	
	RPM web	€ 3,36	€ 6,72	€ 10,08	€ 13,44	€ 16,80	€ 20,16	€ 23,52	€ 26,88	€ 30,24	€ 33,60	€ 36,96	€ 40,32	
	RPM total	€ 4,94	€ 9,93	€ 14,95	€ 20,01	€ 25,11	€ 30,25	€ 35,43	€ 40,66	€ 45,92	€ 51,24	€ 56,59	€ 61,99	€ 397,01
Promotion: Festivals	On average # number of festivals in the database	0	0	1	2	3	4	5	6	7	8	9	10	
	Promotional package price	€ 200,00	€ 204,00	€ 208,08	€ 212,24	€ 216,49	€ 220,82	€ 225,23	€ 229,74	€ 234,33	€ 239,02	€ 243,80	€ 248,67	
	Growth rate % of price of the package	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
	Festivals revenue total	€ -	€ -	€ 208,08	€ 424,48	€ 649,46	€ 883,26	€ 1 126,16	€ 1 378,42	€ 1 640,32	€ 1 912,15	€ 2 194,19	€ 2 486,75	€ 12 903,28
Subscription: Venues	Conversion rate of venues signing for subscription	3,00%	3,06%	3,12%	3,18%	3,25%	3,31%	3,38%	3,45%	3,51%	3,59%	3,66%	3,73%	
	Growth rate % of conversion rate	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	
	Subscription price	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	€ 49,00	
	Subscription revenue total	€ 73,50	€ 149,94	€ 229,41	€ 312,00	€ 397,79	€ 486,90	€ 579,41	€ 675,43	€ 775,05	€ 878,39	€ 985,56	€ 1 096,66	€ 6 640,03
Revenue total		€ 89,00	€ 181,55	€ 485,84	€ 802,21	€ 1 131,06	€ 1 472,75	€ 1 827,67	€ 2 196,23	€ 2 578,83	€ 2 975,90	€ 3 387,87	€ 3 815,19	€ 20 944,10

Table 11: Revenue model (Year 2)

Finacial Presumptions: Revenue Model		Europe												
						2017								
Revenue Stream	**Data**	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Year 2 Total
	Accumulated # of venues in the database	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1850	
	Growth rate % of # of venues / # of users	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
	Accumulated # of users (downloads)	39 200	44 800	50 400	56 000	61 600	67 200	72 800	78 400	84 000	89 600	95 200	103 600	
	% of downloads that convert to active users	69,23%	70,06%	70,91%	71,76%	72,62%	73,49%	74,37%	75,26%	76,17%	77,08%	78,01%	78,94%	
	Growth Rate % of conversion from download to active user	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	
	# of active web users	19 600	22 400	25 200	28 000	30 800	33 600	36 400	39 200	42 000	44 800	47 600	51 800	
	Web traffic	156 800	179 200	201 600	224 000	246 400	268 800	291 200	313 600	336 000	358 400	380 800	414 400	
	# active mobile user total	27 140	31 389	35 736	40 183	44 732	49 384	54 142	59 006	63 979	69 064	74 261	81 783	
	Mobile traffic	217 117	251 111	285 890	321 467	357 858	395 075	433 134	472 049	511 836	552 510	594 086	654 264	
	# of active users total	46 740	53 789	60 936	68 183	75 532	82 984	90 542	98 206	105 979	113 864	121 861	133 583	
	Traffic total	373 917	430 311	487 490	545 467	604 258	663 875	724 334	785 649	847 836	910 910	974 886	1 068 664	
Ticketing (affiliation marketing)	Conversion rate of traffic to link click	1,13%	1,14%	1,15%	1,16%	1,17%	1,18%	1,20%	1,21%	1,22%	1,23%	1,24%	1,26%	
	Growth rate % of conversion rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	# of clicks	4 213	4 897	5 604	6 333	7 085	7 862	8 664	9 491	10 345	11 226	12 135	13 435	
	Conversion rate of click to purchases	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
	# of purchases	211	245	280	317	354	393	433	475	517	561	607	672	
	Average ticket price	€ 11,27	€ 11,38	€ 11,49	€ 11,61	€ 11,73	€ 11,84	€ 11,96	€ 12,08	€ 12,20	€ 12,32	€ 12,45	€ 12,57	
	Growth rate of average ticket price	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	Affiliate % of purchase price commission	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
	Affiliate revenue total	€ 237,39	€ 278,68	€ 322,06	€ 367,60	€ 415,41	€ 465,57	€ 518,18	€ 573,34	€ 631,16	€ 691,74	€ 755,20	€ 844,49	€ 6 100,81
Advertising	RPM mobile	€ 29,85	€ 34,53	€ 39,31	€ 44,20	€ 49,21	€ 54,32	€ 59,56	€ 64,91	€ 70,38	€ 75,97	€ 81,69	€ 89,96	
	RPM web	€ 54,88	€ 62,72	€ 70,56	€ 78,40	€ 86,24	€ 94,08	€ 101,92	€ 109,76	€ 117,60	€ 125,44	€ 133,28	€ 145,04	
	RPM total	€ 84,73	€ 97,25	€ 109,87	€ 122,60	€ 135,45	€ 148,40	€ 161,48	€ 174,67	€ 187,98	€ 201,41	€ 214,97	€ 235,00	€ 1 873,80
Promotion: Festivals	On average # number of festivals in the database	11	12	13	14	15	16	17	18	19	20	21	22	
	Promotional package price	€ 253,65	€ 258,72	€ 263,90	€ 269,17	€ 274,56	€ 280,05	€ 285,65	€ 291,36	€ 297,19	€ 303,13	€ 309,20	€ 315,38	
	Growth rate % of price of the package	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
	Festivals revenue total	€ 2 790,13	€ 3 104,66	€ 3 430,64	€ 3 768,43	€ 4 118,36	€ 4 480,77	€ 4 856,04	€ 5 244,52	€ 5 646,60	€ 6 062,67	€ 6 493,11	€ 6 938,36	€ 56 934,29
Subscription: Venues	Conversion rate of venues signing for subscription	3,80%	3,88%	3,96%	4,04%	4,12%	4,20%	4,28%	4,37%	4,46%	4,55%	4,64%	4,73%	
	Growth rate % of conversion rate	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	
	Subscription price	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	€ 99,00	
	Subscription revenue total	€ 2 636,67	€ 3 073,61	€ 3 526,97	€ 3 997,23	€ 4 484,89	€ 4 990,46	€ 5 514,46	€ 6 057,42	€ 6 619,90	€ 7 202,45	€ 7 805,65	€ 8 664,27	€ 64 573,98
Revenue total		€ 5 748,93	€ 6 554,19	€ 7 389,54	€ 8 255,87	€ 9 154,10	€ 10 085,20	€ 11 050,15	€ 12 049,95	€ 13 085,63	€ 14 158,26	€ 15 268,94	€ 16 682,12	€ 129 482,88

Table 12: Revenue model (Year 3)

Finacial Presumptions: Revenue Model		USA											
		2018											
Revenue Stream	**Data**	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Year 3 Total
	Accumulated # of venues in the database	2000	2150	2300	2450	2600	2750	2900	3050	3200	3350	3500	3650	
	Growth rate % of # of venues / # of users	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
	Accumulated # of users (downloads)	144 000	154 800	165 600	176 400	187 200	198 000	208 800	219 600	230 400	241 200	252 000	262 800	
	% of downloads that convert to active users	79,89%	80,85%	81,82%	82,80%	83,79%	84,80%	85,82%	86,85%	87,89%	88,94%	90,01%	91,09%	
	Growth Rate % of conversion from download to active user	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	1,20%	
	# of active web users	72 000	77 400	82 800	88 200	93 600	99 000	104 400	109 800	115 200	120 600	126 000	131 400	
	Web traffic	576 000	619 200	662 400	705 600	748 800	792 000	835 200	878 400	921 600	964 800	1 008 000	1 051 200	
	# active mobile user total	115 039	125 151	135 489	146 057	156 860	167 900	179 183	190 713	202 493	214 529	226 824	239 384	
	Mobile traffic	920 314	1 001 210	1 083 914	1 168 459	1 254 878	1 343 202	1 433 465	1 525 701	1 619 944	1 716 230	1 814 593	1 915 069	
	# of active users total	187 039	202 551	218 289	234 257	250 460	266 900	283 583	300 513	317 693	335 129	352 824	370 784	
	Traffic total	1 496 314	1 620 410	1 746 314	1 874 059	2 003 678	2 135 202	2 268 665	2 404 101	2 541 544	2 681 030	2 822 593	2 966 269	
Ticketing (affiliation marketing)	Conversion rate of traffic to link click	1,27%	1,28%	1,30%	1,31%	1,32%	1,33%	1,35%	1,36%	1,37%	1,39%	1,40%	1,42%	
	Growth rate % of conversion rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	# of clicks	18 999	20 781	22 619	24 517	26 474	28 494	30 578	32 728	34 945	37 231	39 589	42 020	
	Conversion rate of click to purchases	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
	# of purchases	950	1039	1131	1226	1324	1425	1529	1636	1747	1862	1979	2101	
	Average ticket price	€ 12,70	€ 12,82	€ 12,95	€ 13,08	€ 13,21	€ 13,35	€ 13,48	€ 13,61	€ 13,75	€ 13,89	€ 14,03	€ 14,17	
	Growth rate of average ticket price	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
	Affiliate % of purchase price commission	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
	Affiliate revenue total	€ 1 206,20	€ 1 332,49	€ 1 464,89	€ 1 603,64	€ 1 749,02	€ 1 901,29	€ 2 060,74	€ 2 227,65	€ 2 402,35	€ 2 585,13	€ 2 776,33	€ 2 976,30	€ 24 286,03
Advertising	RPM mobile	€ 126,54	€ 137,67	€ 149,04	€ 160,66	€ 172,55	€ 184,69	€ 197,10	€ 209,78	€ 222,74	€ 235,98	€ 249,51	€ 263,32	
	RPM web	€ 201,60	€ 216,72	€ 231,84	€ 246,96	€ 262,08	€ 277,20	€ 292,32	€ 307,44	€ 322,56	€ 337,68	€ 352,80	€ 367,92	
	RPM total	€ 328,14	€ 354,39	€ 380,88	€ 407,62	€ 434,63	€ 461,89	€ 489,42	€ 517,22	€ 545,30	€ 573,66	€ 602,31	€ 631,24	€ 5 726,70
Promotion: Festivals	On average # number of festivals in the database	23	24	25	26	27	28	29	30	31	32	33	34	
	Promotional package price	€ 321,69	€ 328,12	€ 334,68	€ 341,38	€ 348,20	€ 355,17	€ 362,27	€ 369,52	€ 376,91	€ 384,45	€ 392,14	€ 399,98	
	Growth rate % of price of the package	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
	Festivals revenue total	€ 7 398,81	€ 7 874,91	€ 8 367,09	€ 8 875,81	€ 9 401,53	€ 9 944,73	€ 10 505,90	€ 11 085,53	€ 11 684,15	€ 12 302,28	€ 12 940,46	€ 13 599,25	€ 123 980,45
Subscription: Venues	Conversion rate of venues signing for subscription	4,83%	4,92%	5,02%	5,12%	5,22%	5,33%	5,43%	5,54%	5,65%	5,77%	5,88%	6,00%	
	Growth rate % of conversion rate	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	
	Subscription price	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	€ 149,00	
	Subscription revenue total	€ 14 379,43	€ 15 767,04	€ 17 204,41	€ 18 692,97	€ 20 234,18	€ 21 829,57	€ 23 480,68	€ 25 189,10	€ 26 956,47	€ 28 784,45	€ 30 674,78	€ 32 629,20	€ 275 822,29
Revenue total		€ 23 312,58	€ 25 328,83	€ 27 417,27	€ 29 580,04	€ 31 819,36	€ 34 137,48	€ 36 536,74	€ 39 019,51	€ 41 588,27	€ 44 245,53	€ 46 993,88	€ 49 835,99	€ 429 815,48

Table 13: Income statement

FINANCIAL STATEMENTS: FLITS				

PRO FORMA

Income Stament (as of August 2016)				
		Year 1	Year 2	Year 3
1	Revenue	20 944,10	129 482,88	429 815,48
	Cost of Sales	245,00	294,00	352,80
2	GROSS PROFIT	20 699,10	129 188,88	429 462,68
	Administrative Expense / SG&A	75 160,00	82 676,00	90 943,60
	Legal Expenses	3 200,00	3 680,00	4 232,00
	Marketing Expenses	13 510,00	16 212,00	19 454,40
3	OPERATING PROFIT	-71 170,90	26 620,88	314 832,68
	Dividends	0,00	10 000,00	15 000,00
4	PROFIT BEFORE TAXES	-71 170,90	16 620,88	299 832,68
	Taxes	0,00	3 324,18	59 966,54
5	**NET PROFIT**	**-71 170,90**	**13 296,70**	**239 866,14**

NET PROFIT
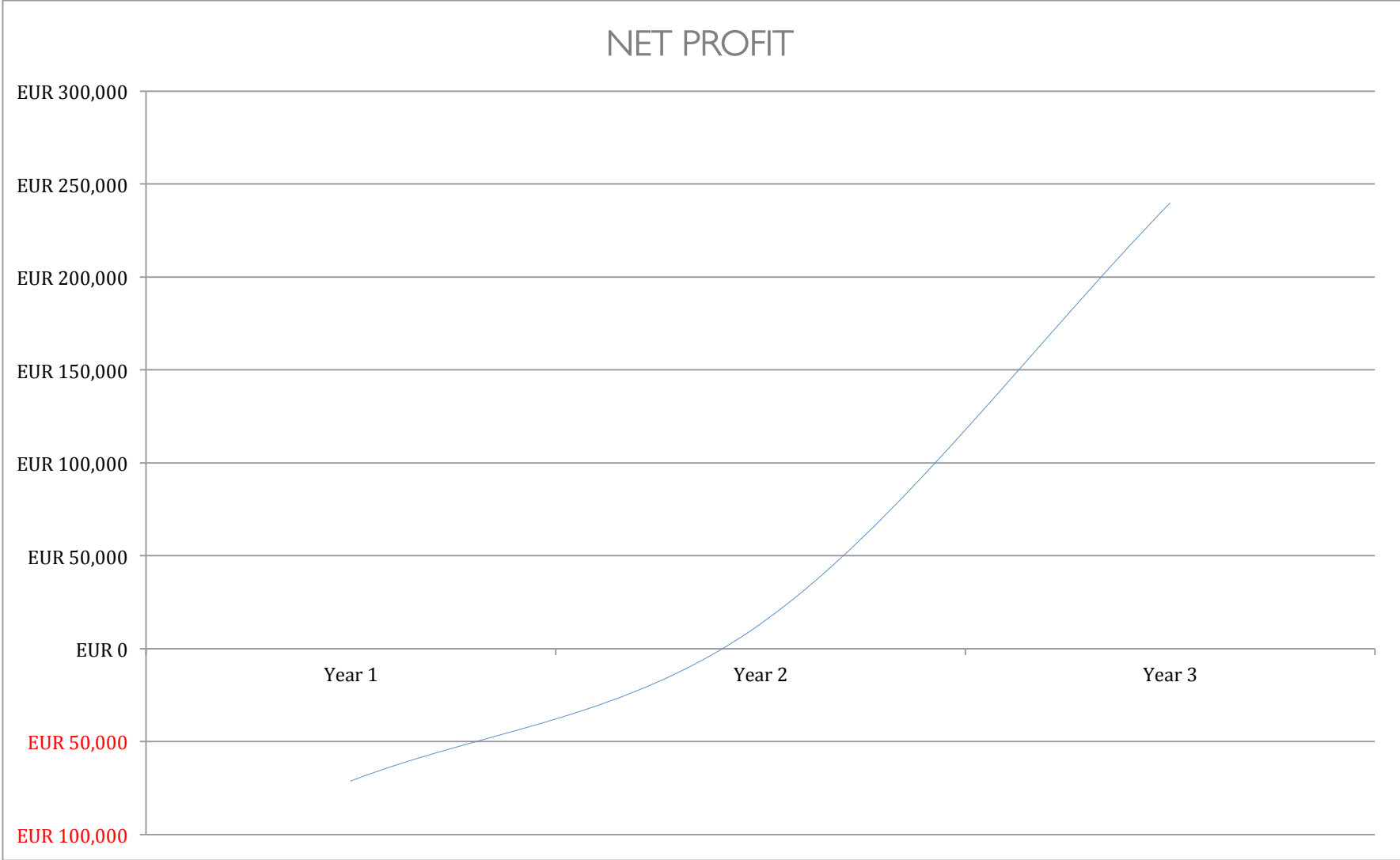
Table 14: Balance sheet

Balance Sheet (on August 2016)				
		Year 1	Year 2	Year 3
	ASSETS			
1	Current Assets	78 200	93 840	112 608
	Cash	4 000	4 800	5 760
	Investments	50 000	60 000	72 000
	Accounts receivable	200	240	288
	Prepaid expenses	24 000	28 800	34 560
2	Fixed Assets	12 800	15 360	18 432
	App	8 000	9 600	11 520
	Equipment	3 000	3 600	4 320
	Accumulated depreciation	300	360	432
3	Intangibles	1 500	1 800	2 160
4	**TOTAL ASSETS**	**92 500**	**111 000**	**133 200**
	LIABILITIES and OWNER'S EQUITY			
5	Current Liabilities			
	Accounts payable	10 000	12 000	14 400
6	Long-term Liabilities			
	Loans	15 700	18 840	22 608
7	Owner's Equity			
	Invested Capital	62 800	75 360	90 432
	Accumulated retained earnings	4 000	4 800	5 760
	Total Owner's Equity	66 800	80 160	96 192
8	**TOTAL LIABILITIES and EQUITY**	**92 500**	**111 000**	**133 200**

Table 15: Cash-flow statement

Cash-Flow Statement (as of August 2016)				
		Year 1	Year 2	Year 3
1	INFLOW AND OUTFLOW			
	Funds provided by:			
	Affiliation Marketing	1003,77	6100,81	24286,03
	Advertising	397,01	1873,80	5726,70
	Promotion: Festivals	12903,28	56934,29	123980,45
	Subscription: Venues	6640,03	64573,98	275822,29
	Invested capital	62800,00	75360,00	90432,00
	Total funds in	**83744,10**	**204842,88**	**520247,48**
2	Funds used for:			
	Cost of Sales	245,00	294,00	352,80
	Marketing	13 510,00	16 212,00	19 454,40
	SG&A	75 160,00	82 676,00	90 943,60
	Taxes	0,00	3 324,18	59 966,54
	Equipment	3 000	3 600	4 320
	Distribution owners	0,00	10 000,00	15 000,00
	Total funds out	**91 915,00**	**116 106,18**	**190 037,34**
3	**NET CHANGE IN CASH POSITION (Total Funds In - Total Funds Out)**	**-8 170,90**	**88 736,70**	**330 210,14**

6. Risk management Matrix

All companies facing different risks, in order to monitor and define them we will explain the major risks of Flits on a risk management matrix. After the evaluation of the risks (0-5) we are able to indicate the risks into the risk matrix. The matrix is based on two criteria's:

A. Likelihood (divided in 5 categories): The probability of a risk

  i. Almost certain

  ii. Likely

  iii. Possible

  iv. Unlikely

  v. Rare

B. Consequences (divided in 5 categories): The damage caused by the risk

  vi. Insignificant

  vii. Minor

  viii. Moderate

  ix. Major

  x. Catastrophic[20]

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[20] David Olsen, 'Supply Chain Risk Management', ed. Steven Nahmias (United States of America: Busines Expert Press LLC, 2011).

Table 7: Risk management matrix

Likelihood	Consequences	Insignificant	Minor	Moderate	Major	Catastrophic
Rare		1	2 B) F)	3 D) H)	4	5
Unlikely		2	4	6 E)	8	10
Possible		3	6	9 A)	12 C)	15 G)
Likely		4	8	12	16	20
Almost certain		5	10	15	20	25

▢ Low Risk
■ Moderate Risk
■ High Risk
■ Extreme Risk

Table 8: Risk management matrix

Ref	Topic	Risk	Likelihood	Consequences	Priority	Actions
A)	Business Model (BP)	BP will not succeed	3	3	9	Fast testing and implement feedback loop and focus on the successful
B)	Market timing	The market is not ready yet	1	2	2	Testing in two different Markets (Prague / Boston). Also testing on 3 customer groups (Festival-, party-, concertgoer)
C)	Market adoption	Competitors will adopt features	3	4	12	Fast market entry and establish cooperation with different companies, such as ticket companies etc. Aggressive marketing
D)	Market Size	The market is smaller than calculated	1	3	3	Monitor market size and if necessary reevaluate revenue streams
E)	Execution risk	Not reaching of milestones	2	3	6	Weekly team meetings
F)	Technology risk	Speed to develop technology / product	1	2	2	If necessary collaborate with free lancer
G)	Financial risk	The company will not get seed funded	3	5	15	Applying to accelerator programs, build up of network to secure finance
H)	Legal risk	Potential law suits	1	3	3	Partner with experience lawyer

The risk matrix reveals that Flits' biggest risk is lack of funding. Therefore, fundraising is among the key challenges of the company for the following weeks. Therefore the consideration of applying to Accelerator programs should be evaluated. Reaching out to stakeholders, institutions and industry specialists is necessary.

6. Organization and structure

The Flits Music GmbH has in total 4 employees and was founded in June 2015. The company is registered in Hamburg, Germany. The corporate address is Flits Music GmbH, Henriettenstrasse 13, 20259 Hamburg.

The team members are as follows:

Martin Erler

Age: 34

Position: CEO / Founder

Country: Germany

Experience:

- International Business Development (3 years)
- Global Key Account Management (2 years)
- Controlling (2 years)
- M.A. Global Entertainment & Music Business

Javier Sanchez

Age: 44

Position: CTO / Co-Founder

Country: Spain

Experience:

- IOS developer (since 11 years)
- Founder of Luraki
- Faculty member of the Berklee College of Music
- Post doc of Stanford University

Matej Zak

Age: 24

Position: Business Development / Co-Founder

Country: Czech Republic

Experience:

- Music Promoter (2 years)

- Professional musician

- M.A. Global Entertainment & Music Business

Morris Pinero

Age: 28

Position: Front End Developer / Web Designer

Country: Colombia

Experience:

- Graphic Designer (since 4 years)

- Postgraduate of interactive digital design & development at ESAT

Fernanda Gomez

Age: 25

Position: Designer

Country: Mexico

Experience:

- Music production experience in different genres (since 4 years)

- M.A. Global Entertainment & Music Business

The established Flits team is well connected in the music industry, has substantial technical as well as business experience.

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                          Martin Erler
       ┌──────────────┬───────┴───────┬──────────────┐
  Javier Sanchez   Matej Zak       Morris        Fernanda
                                    Pinedo         Gomez
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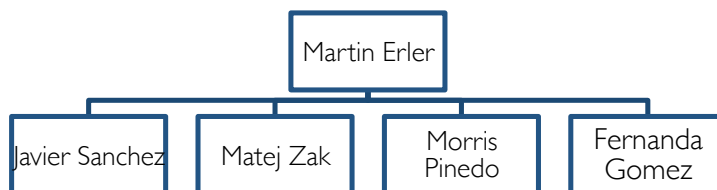
The company is always looking for skilled and motivated team members. Currently, we are looking for:

- Back-End Developer

- Social Media specialist

- Interns

7. UI / UX Design and Development: Navigating and Understanding Tech / Mobile App Design

It has been established that Flits is about concert navigation made easier. This has been the team's ultimate objective and the end goal is clear. This mission, however, is one shared by much of the competition. They all have the technology to provide this type of information to their users in a very straight-forward way. How is Flits any different?

It was understood from the very beginning that app design would be a key component and player in Flits' future success. Encompassing areas of User Interface, User Experience and Navigation, the team's approach is one where "Business goals might decide the destination, but user requirements must always steer the ship" (Cao 2015). Starting with content first and the intuitive ways in which users tend to look for information. We asked ourselves "what the user would do, then slowly work your way back to the business goals" (Cao 2015). We adopted a 'Lost Traveler' design where such function-approach perspective forced us to design each

element and every single page as if it was our users' initial interaction with the mobile application.

Learning from the newest trends for mobile and web design and navigation, we have been working and continue making progress in order to distinguish ourselves from the competition not only in terms of functionality and innovative features, but also on the design front - where, with one single look, users can love us or hate us.

7.1.   UI vs UX

While conducting some initial research it was important to make the distinction between UI-User Interface and UX-User Experience given that these two are commonly, and mistakenly, used and interchangeable terms.

UI is specifically concerned with the way in which users interact with the interface, the mobile app itself. The way they navigate the site as well as the way the app design is forcing the user the look for information. UX on the other hand deals with the users' reactions to such interface, the way the interface as a whole makes them feel; the way in which the design elements interact with each other and with the user in order to create a hopefully memorable experience (Cao 2015).

Our goal is to achieve a balance and a harmony between the two of them, one that will help us establish an emotional attachment with our users. We want Flits to be easy to navigate, and we want it to feel intensely social. We understand that our target market is young and they want to go out and have fun while listening to live music. What are you in the mood for? What do you feel like doing tonight? It's not just about genres and location, it's about achieving a full

nightlife experience. By creating this bond Flits goes beyond just being another app that simply provides information to one acting as a friend, as a real person who you trust and enjoy interacting with - a buyer persona (Walter 2015).

7.2. Connectivity

Although future growth and development may see Flits simultaneously working in a web-based platform, it is first and foremost a mobile-based application:

- 88% of young adults owning a smartphone according to data from Ofcom (Hodge 2015)

- 85% of smartphone usage is done through apps rather than the mobile web (Stewart 2015)

- 91% of American adults now own a mobile phone (Laybourne 2014)

It's been established that Flits' target market are mainly young tech-savvy adults. They own smartphones and they like to use them in order to stay connected with their friends and the world around them. With the popularity of the phablet (phone+tablet) growing more and more each day we also have to modify and adapt to the way our consumers are using these devices_(light green). It gives us more opportunities to be creative in the ways we make information "more readable, accessible and usable" without losing our content-focused, function-first approach (Yadav 2015).

As previously established, we want to work towards achieving a balance of UI and UX that translates into higher connectivity: fast, easy, seamless, and increasingly social. An experience,

where the app can "infer when we eat, when we rest, when we're at work and when we're at home" (Hodge 2015). Smart connectivity.

7.3.   Flat Design

One of the most notable advances in mobile app technology is flat design, successfully introduced by Google's "Material Design." We take note of their design approach and the way that it helps strips down design to its basic and most simple elements thus allowing for content to speak for itself while still making visually striking in its simplicity:

- o A material metaphor… of a rationalized space and a system of motion.[…] inspired by the study of paper and ink, yet technologically advanced and open to imagination and magic.

- o Surfaces and edges of the material provide visual cues that are grounded in reality ("Material Design" 2015)

- o It's clean, interactive, graphic, and "intentionally bold:"

These elements do far more than please the eye. They create hierarchy, meaning, and focus. Deliberate color choices, edge-to-edge imagery, large-scale typography, and intentional white space create a bold and graphic interface that immerse the user in the experience […] All action takes place in a single environment […] without breaking the continuity of experience ("Material Design" 2015)

The subtlety of color, shadow, and depth give the design and these elements the feeling of context found in reality making it easy to form associations from icons/design cues to real-life actions, "retain[ing] a sense of the tangible world (physical space and objects) while still achieving all the advantages of flat design" (Fontaine 2015). Layered interfaces mimicking layered behaviors. Giving the intangible a physical presence - from symbols to actions (See A2 & A5).

7.4.   Visual Interest & UI Cards

One of the best ways to create visual interest and grab the attention of your users is through the power of high impact imagery. By replacing the traditional list view presentation and still following the formats of Google's "Material Design," we aimed for a much more photographic-based display of information. Incorporating these rich visuals help us "tempt the user into the story of a site, inviting them to scroll for more" while additionally making it possible to deliver the information in a quick and organized manner, "[creating] an impact in a matter of seconds" (Fontaine 2015, Laybourne 2014).

Once again following the idea of rich graphics and bold design and color, we believe that this kind of presentation is at the height of mobile app design trends, and it is also one of the best ways to create a narrative. As seen on A3_Fig01, there's a context to every photograph making them appealing to the user while respecting and maintaining its simplicity - "the site lets illustrations explain how to actually use the grill" (Cao 2015).

We could also talk about visual interest and boldness in terms of logo (see A1). From the beginning the team knew that, just as our entire design was going to be, we needed to be very graphic and clean with our logo design. Working a play on the 'F' letter and the ubiquitous

location icon of the arrow, we came up with a number of options that highlight the graphic quality and elements also presented in "Material Design."

Furthermore, the use of UI Cards - card-style layouts - offer a lot of versatility and cleanliness for organizing a lot of content. We want to keep it clean, simple, flexible, and digestible (Fontaine 2015). The images on A6 showcase this type of functionality and exemplify the concise nature of UI cards and their role in this new type of layouts.

7.5.   Typography & Icons

In line with the idea of visual interest we have the elements of typography and icons. The former allows for much freedom than can give the design an added playfulness and boldness. In the past typography was very limited to a certain number of serif/sans serif staples that did not add sufficient design quality for it to be considered at all in the overall aesthetic of the platform. But nowadays "fonts as the centerpiece for design" (González 2015). They are becoming an integral part of the look and feel of the project as a whole, giving the app a character and a personality - one that will speak for the platform (See A4).

We see a similar scalable integration with icons. The use of icons over text help us not only avoid complications with language barriers, but they also represent "quick, [and] intuitive representations of an action, a status" that facilitate the interaction between user and application (See A5) (Mesibov 2015).

7.6.   Hidden Navigation

Behind such ease of navigation there is the hidden structure of menus. The objective is to make functionality only visible when requested, keeping it 'light copy:' "rich displays where the visuals carry the story, with minimal keyword relevant text provided as needed" (Stewart 2015). We aim to take advantage of gesture interactions and utilize as much tactile commands as possible, such as swipe-reveal, sliding, scroll-reveal, and tap-reveal - some of them demonstrated in both A5 and B1 images.

Many photo-editing and radio/music-based applications such as the Photoshop mobile app are great examples on how to use these type of tools, respecting the function/content-focused approach that has been previously described. This trend emphasizes specific tasks for every situation and thus unclogging the space of any unwanted information.

7.7.   Contextual UX

Another one of the most important and relevant design trends of the past couple of years is this one referred to as Contextual User Experience, meaning suggested content based on previous visits, on usage patterns. Just as Netflix's 'Recommended for you' feature, contextual UX helps the system establish a meaningful connection with the user, a bond, one that has been discussed in this paper. It can help us, as Flits, become our users' trusted friend by "generating positive user experiences and developing stronger, more personalized client relationships" (Fontaine 2015).

The way that we have been trying to translate this into the mobile app is by building what we call the Dashboard page (see A7). Although this page may be seen as a 'Profile Page' we want to steer away from that association since, as previous research shown here, users prefer not to

sign up to create an account. At the moment, we still have the option to do so, but we do believe that this is a service that could be accessed without having to create an account.

Where we see value in the idea of the 'Dashboard' is that we can take advantage of this idea of Contextual UX in order to activate such tailored layouts - we want Flits to not only be your friend, but your smart friend. Push notifications customized in the Settings tab - not yet activated - could also save the user an extra step of having to check this page by simply notifying you when there is an event/venue that matches your previous usage patterns.

7.8.   Micro-Interactions

The last trend that we wanted to adopt is concerned with the User Experience, and its role in creating user loyalty if used successfully. These are micro-interactions, or "contained experiences or moments within a product that revolve around a single use case" (Laybourne 2014). This is when the user swipes left to delete an email, when they click on the like button to show they've enjoyed a particular post, when they double tap to like a photo on Instagram.

These are new ways to interact with the product; moments that take it from just navigating the interface to actually creating a lasting and memorable experience, for "products are people too" (Walter 2015). We have tried to include as many opportunities for micro-interactions within the app and the navigation process. This process not only helps the app maintain a relatively clean and uncluttered look, but it also performs the necessary tasks to its fullest potential.

7.9.   Basic Navigation - Continued Development

Although Flits is still undergoing the development process, we believe that having an understanding of basic navigation is key to future growth and success. We have identified the main features that will distinguish the app from the competition and we continue to work hard to showcase and highlight them (See B1).

As it has been mentioned throughout this paper, there are many important and relevant trends that have been adopted and translated to our product; trends that serve their purpose in creating a persona, in giving Flits a personality. "It won't be long before we have apps […] that automatically choose activities for you when you sit down in the evening" (Hodge 2015). Hey! Wanna go out? What are you in the mood for? What do you feel like doing tonight? Trust us. We want to be your friend.

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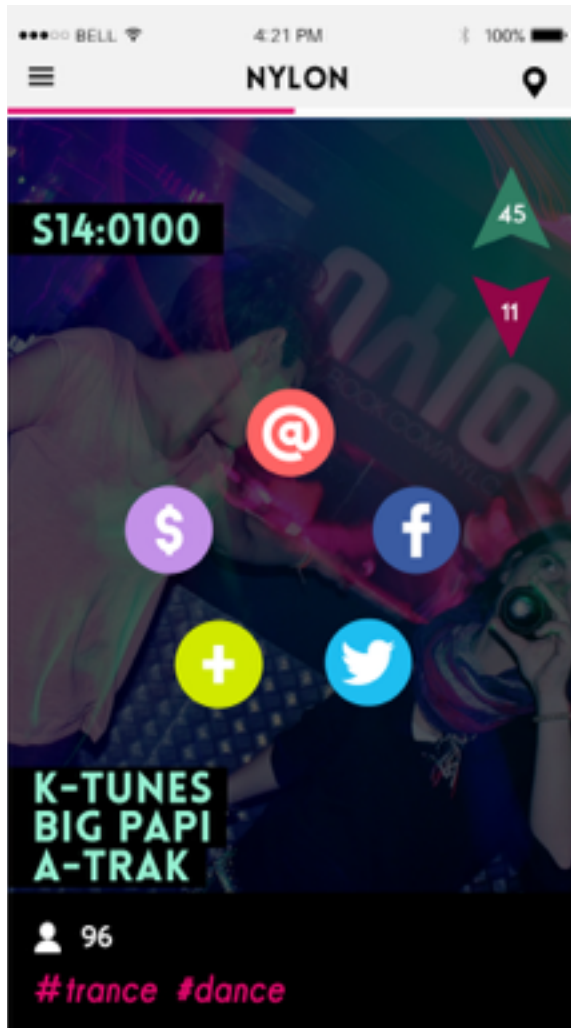
Appendix

A1: Logo_Visual Interest

A2: Flat Design

A3: Visual Interest

Fig01: BBQ Time (web platform)

A4: Typography

Body: Montserrat Light

Main Titles: Lovelo Black

Numerical Information: Lovelo Black

Hashtags: Montserrat Light
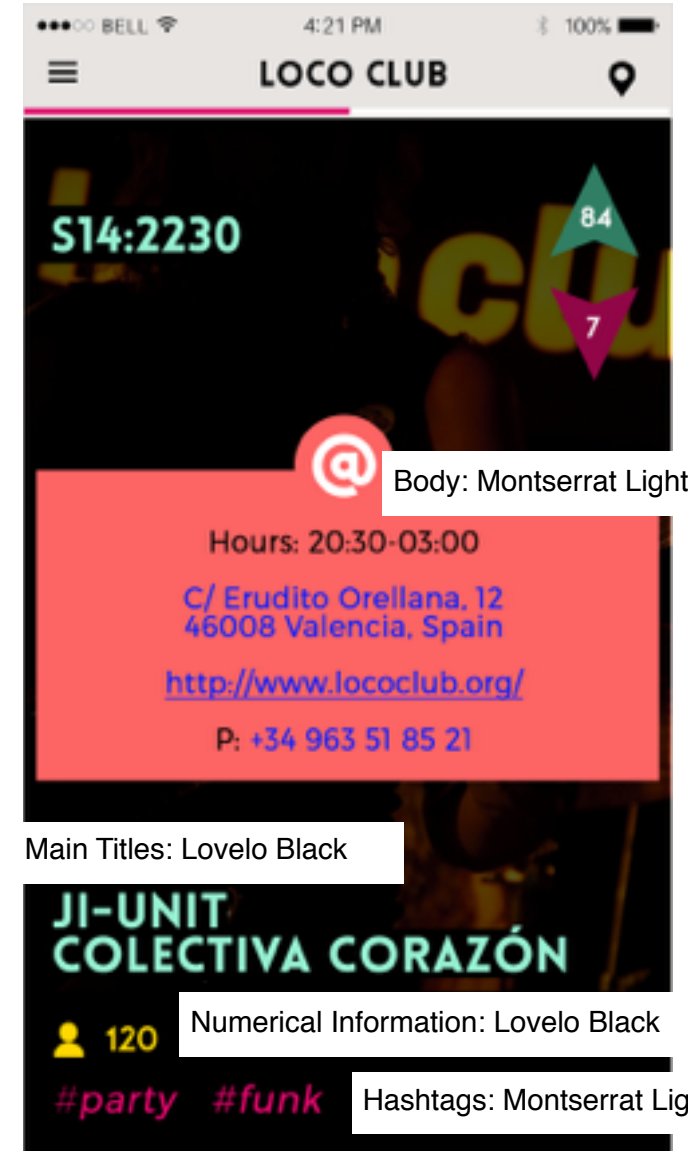
A5: Icons_Hidden Navigation
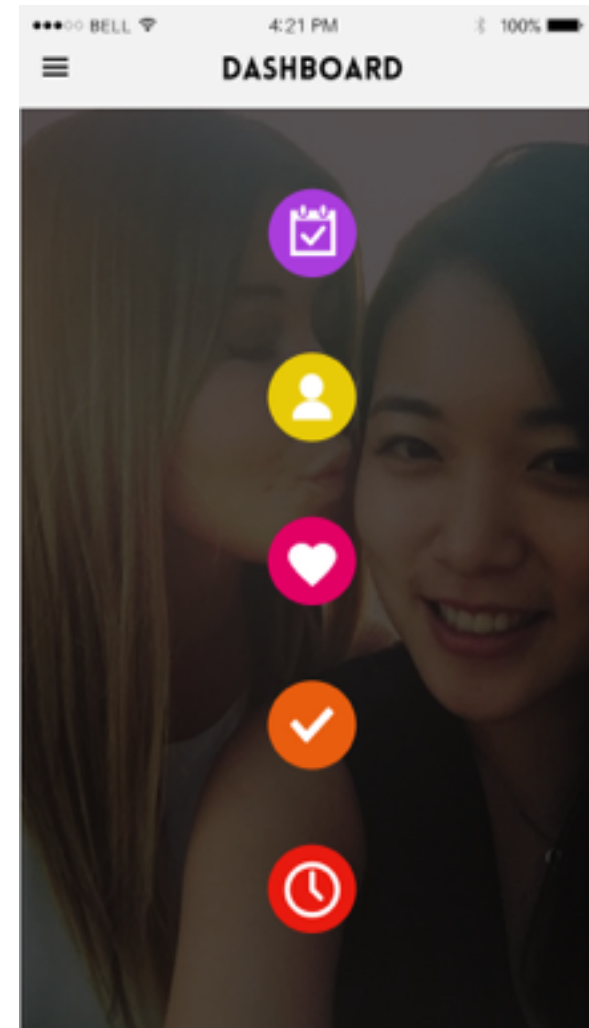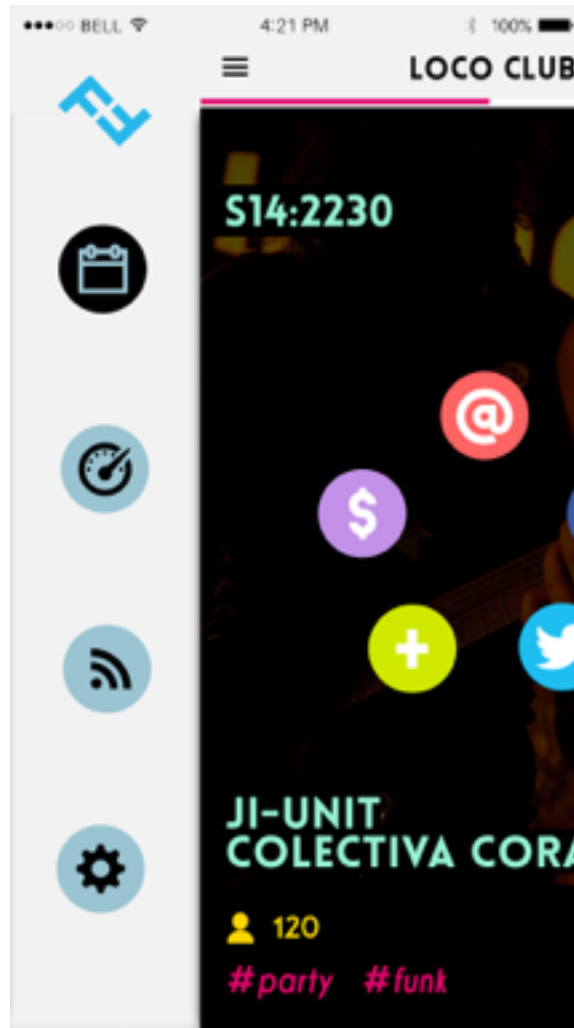
A6: UI Cards_Scrolling

Fig01   Fig02: NatGeo View   Fig03: Timeline
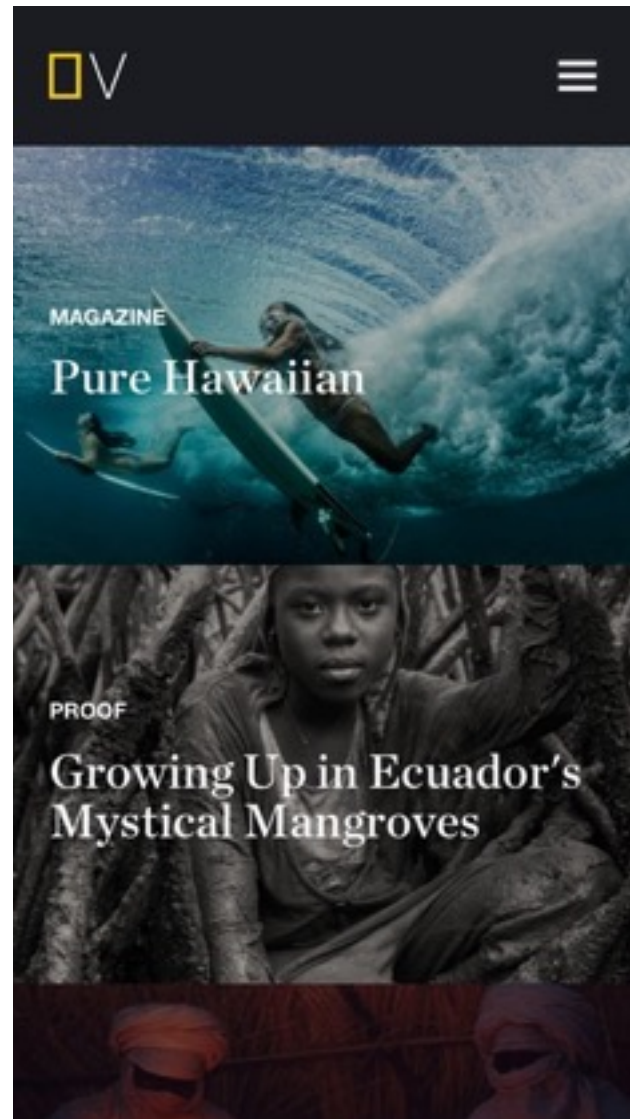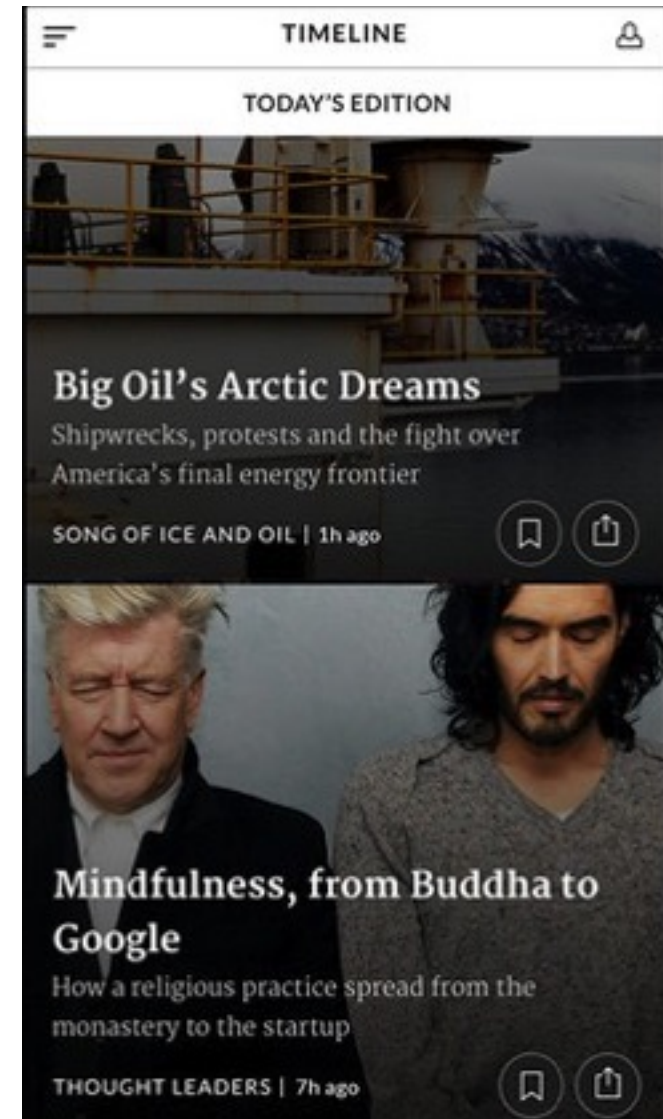
A7: Contextual UX_Microinteractions
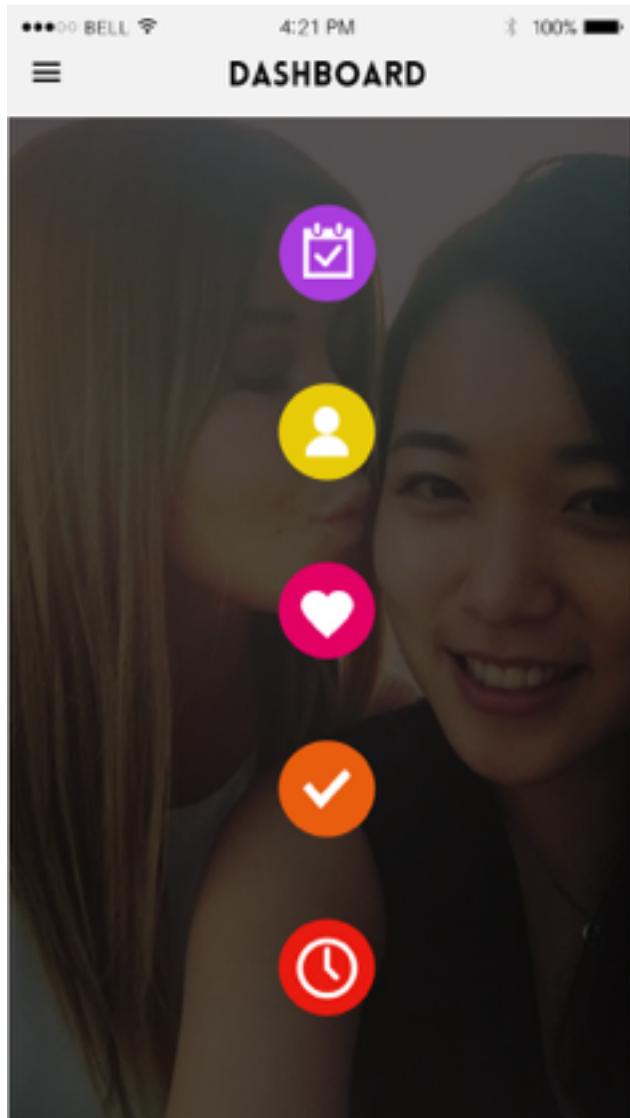
B1: Basic Navigation
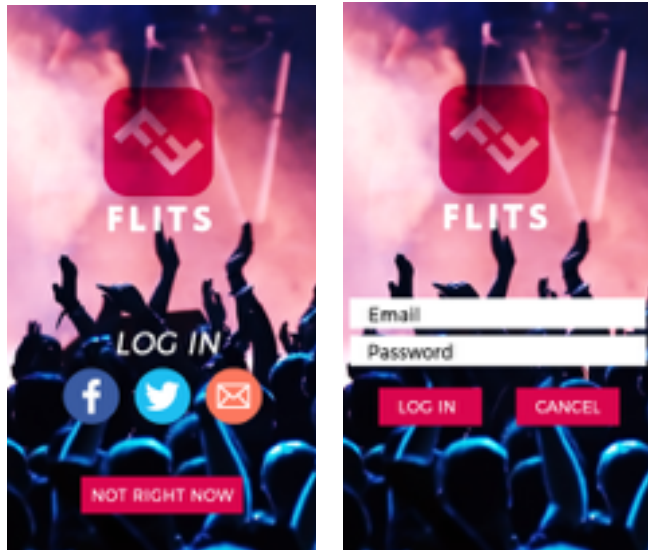
01. Log In
- With Facebook (preferably)
- With Twitter
- Create an account
- Not Right Now: making it faster/easier - navigation starts right away

02. Event_List View
- Scroll down to load more events
- Scroll all the way up to show Filter Tab - Scroll back down to hide Filter Tab
- Swipe Left to access Single Event View
- Tap Once on map_icon to access Map View
- Tap Twice to Favorite Venue
- Tap on green/red arrows to access Feed/Comments for corresponding event
- Tap Once on person_icon to access list of people attending the event
- Tap Twice on person_icon to confirm attendance (turns yellow)
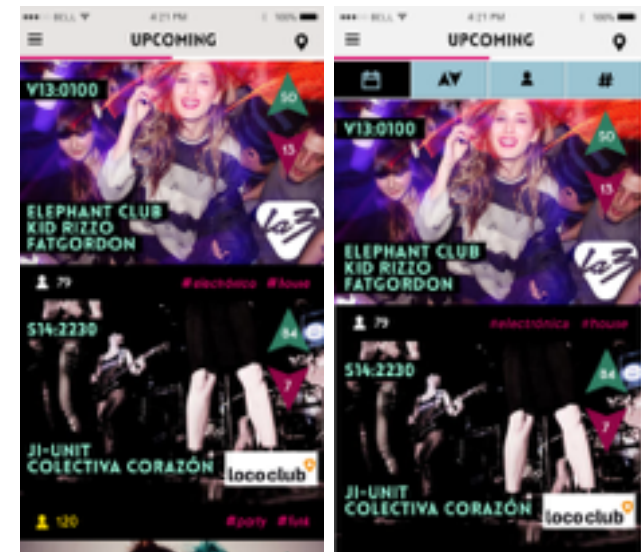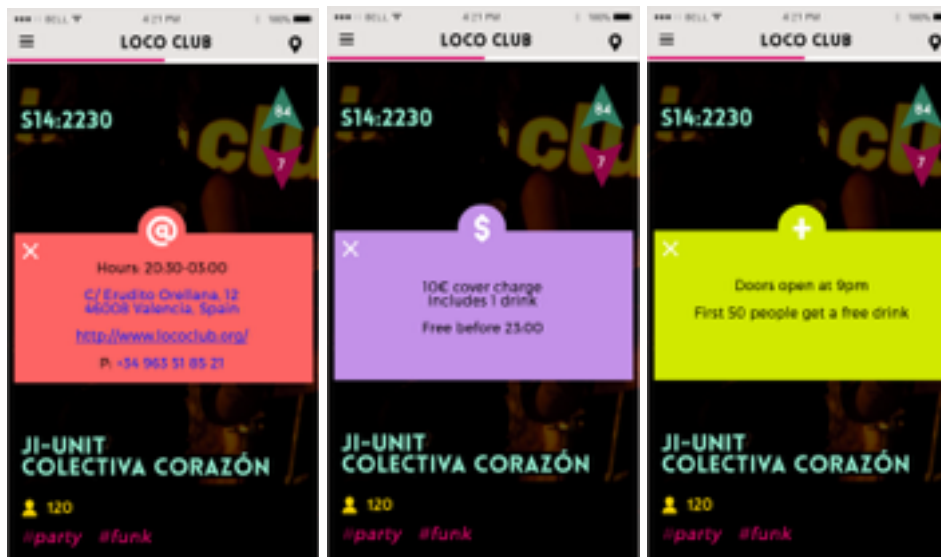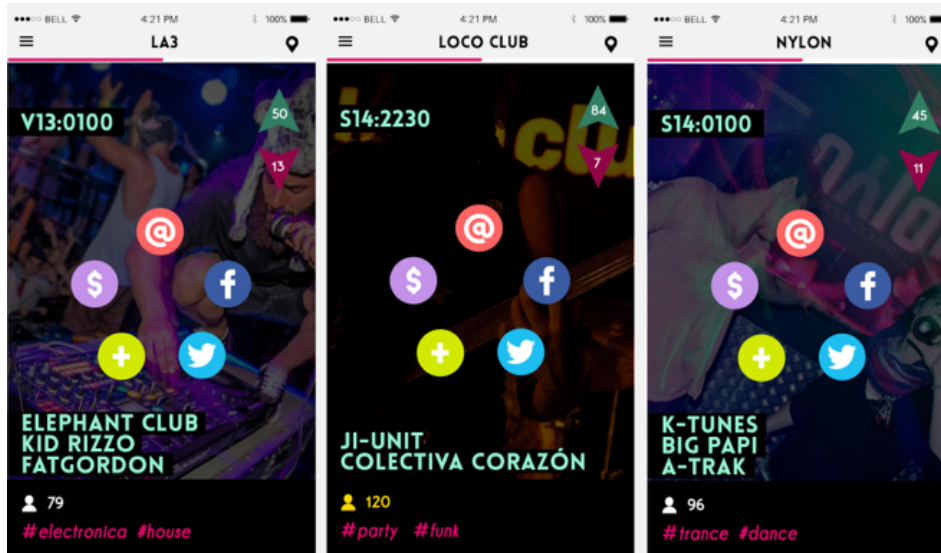
03. Single Event View

- Scroll down to show Artist Information (Band_View)
- Scroll all the way up to go back to Event_List View
- Swipe Left/Right to access Single Event View for other events (order corresponding to Event_List View)
- Tap Once on Floating_Menu icons to access varied information:
  - About
  - Price
  - More additional information
  - Facebook account (leave app)
  - Twitter account (leave app)
- Once in Floating_Menu mode, tap once outside of the information box to exit OR tap once on the exit_icon
- Once in Band_View, swipe left/right to access more embedded videos - Press Play to access default full screen mode
- Tap Once on social_media icons to access more band information
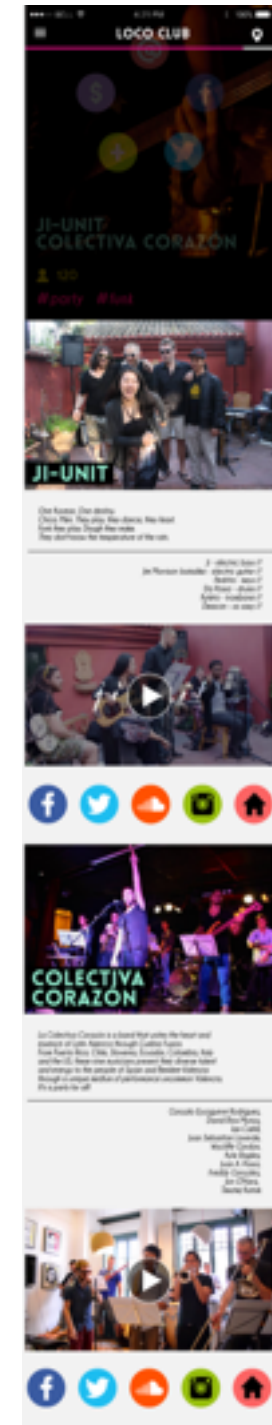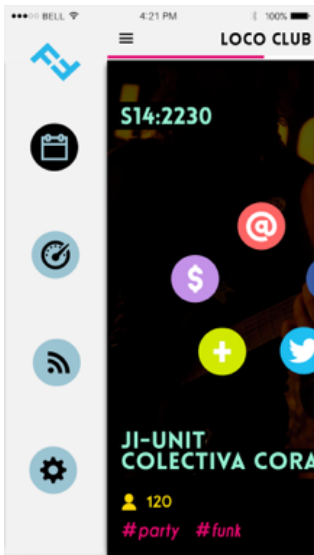
04. Side Menu

- Tap Once on hamburger_icon OR Swipe Right to access Side Menu
- Tap Once outside side menu OR Swipe Left to return to previous view
- Tap Once on calendar_icon to access Event_List View
- Tap Once on dashboard_icon to access Dashboard
- Tap Once on feed_icon to access feed/ comment view regarding current events
- Tap Once on settings_icon to access Settings where Push Notifications can be customized
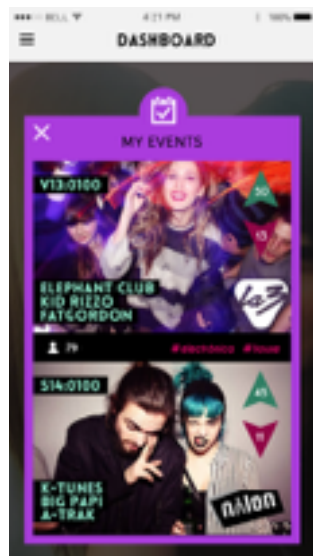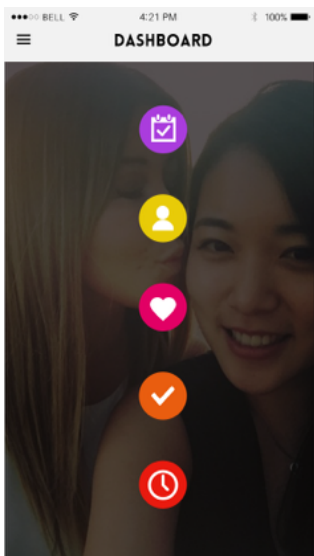
05. Dashboard

- Tap Once on myEvents_icon to access list of attending events
- Tap Once on friends_icon to access list of your friends (if connected via Facebook) and a list of events they are attending
- Tap Once on heart_icon to access list of favorite venues and their upcoming events (if any)
- Tap Once on checkmark_icon to access list of Recommended events/ venues
- Tap Once on history_icon to access any content posted by user (comments/ photos/videos)
- Once having accessed any of these floating information boxes, Tap Once outside the box OR Tap once on exit_icon to return to default Dashboard view