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ΕΙΚΟΝΙΚΗ ΕΠΙΧΕΙΡΗΣΗ

Business Plan

Virtual Business
General Lyceum of Magoula
March 2025

1. EXECUTIVE SUMMARY

With the continuous occurrence of natural disasters around the world and in Greece, citizens are becoming increasingly aware of how to contribute to reducing their environmental footprint.

Especially in our country, despite the disastrous floods of recent years, the phenomenon of water scarcity is occurring systematically. Particularly when this is combined with the need for more water in the summer due to increasing tourism.

Of course, habits and behaviours are difficult to change, especially if there is no economic incentive to change behaviour.

These factors led the founding team of WaterLoop to design an integrated management system, with the central core being the development of a flow switch that manages the consumption in the water circuit, communicates with an application on the owner's mobile phone and allows the opening/closing of the circuit even remotely (wifi or SIM for remote areas).

In its full implementation, the system utilizes "grey" water, on non-potable quality water consumption, "doubling" water's usage with this recycling.

Target customers include:

- Old houses with problematic pipes, holiday homes, rented accommodation ("Airbnb")
- Small hotel, small companies and agri-food units, especially in arid areas and islands

Stages of Development:

- In the 1st year of operation, WaterLoop will develop the smart switch on an industrial scale, setting the specifications on the basis of which it will be supplied
- At the same time, it will develop the applications required to interface the IOT modules embedded in the switch with the customer's mobile phone
- Having developed the pilot applications, it will be able to raise funds (investment angels, start up incubators) in two rounds
- It is estimated that in 3 years, WaterLoop will be able to cover its annual costs after having achieved the necessary sales and capture its market share

WaterLoop is committed to following best practices in its operations, respecting the environment, its employees (some will be people with disabilities), and its shareholders, such as the ESG guidelines.

2. WaterLoop

Purpose of the Business:

Saving water with innovative solutions & advice.
"Have the cake and eaten too", we offer our customers both savings on their expenses and the opportunity to do something good for the environment and the intense problem of water scarcity. Use of technological innovation to monitor consumption with a mobile application, even remotely from the plumbing.

Background, birth of the idea:

Vision: Protecting the planet & reducing water consumption
Easy, smart & efficient water management with a holistic approach.
We combined partial solutions into a holistic approach for the problem of water management and recycling in homes and small facilities with cutting-edge technologies that enable solutions that used to be applied to large industries, even on the small scale of a home in a cost-effective way.

What problem Waterloop is trying to solve:

- Leaks especially in old houses and rentals
- Remote monitoring of water consumption in holiday homes and rentals
- Water recycling in areas with severe water scarcity
- Water recycling in small agricultural, industrial and hotel facilities

Business Model:

Organizationally, a relatively small core of executives will organize product development, material supply, sales, consulting and supervision of installations to customers
Operationally, especially in the first three years, there will be a team of associated subcontractors who will take over the product installations. The flow switch will be manufactured by third parties on our behalf based on our specifications. Outsourced will also be the development of the software (app application) to connect with the customers' mobile phone
Financially, the operating model keeps fixed costs low, so that with the exception of initial set-up and development costs, the rest are tied to sales (variable costs)

3. PRODUCTS AND SERVICES

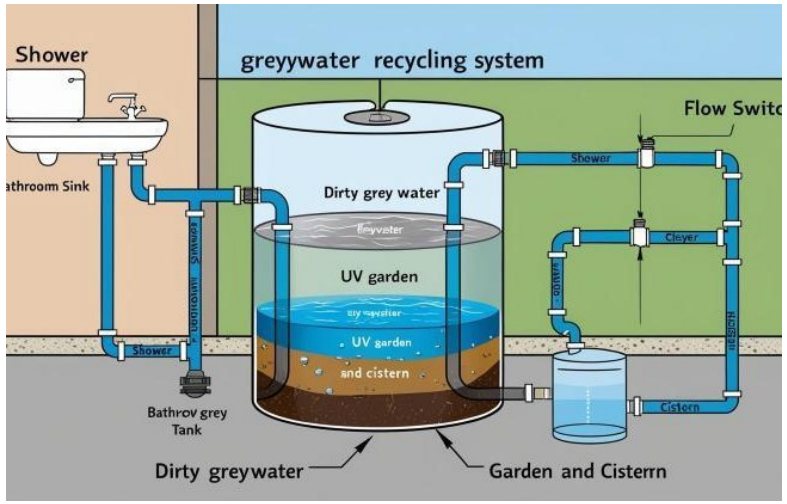
Description of the products & services:

- **Flow switch** with integrated sensors and IoT (Internet of things) technology, and SIM card slot
- **Recycling system**, with recycling tanks and commercially available connection materials
- Specialized installation **study** and **consultancy** services using AI technology to reduce costs. AI will assess the client's needs based on statistical models and recorded needs (from consumption bills) to take into account the seasonality of needs (e.g. winter, summer) and scale the proposed solutions (e.g. optimum tank size and pipe dimensions for grey water recycling)

Features and Benefits

- **IoT** (Internet of things) technology powers the mobile app and sends alarms messages. It is the product that differentiates us from the competition, and gives solutions to owners of holiday homes, rentals (AirBnB), farms, generally where there is an owner-occupancy distance
- For the same reasons, the integrated **SIM** card offers greater differentiation from the competition, in rural areas
- **AI technology** will further differentiate us in designing personalisied optimal solutions with low study costs

- Schematic of the grey water recycling system



Ownership and innovative approach

- WaterLoop will own the copyright of the flow switch and the applications that will be developed around it, because this is what generates added value
- Everything else (offices, warehouses, machinery, transport) will be rented to keep costs at a variable level

4. SWOT ANALYSIS

Strengths

Innovative Technologies: Developing an application for monitoring mobile consumption. Use of advanced water collection, filtration and reuse systems

Environmental Sensitivity: positive public image due to contribution to environmental protection and sustainability

Positive impact: on the environment through environmental sustainability and environmental protection:

Team of partners: with technical knowledge in the field of water management, sustainable solutions and application development

Partnerships with municipalities or chambers of commerce: Possible cooperation with public bodies or sectors in need of water saving, e.g. tourist accommodation on islands

Weaknesses

Initial investment costs: customers would face installation and system costs, which in difficult economic times can be seen as a disincentive

Low awareness: Possible lack of awareness among plumbers and the general population

Dependence on subsidies: Possible dependence on state or European aid for the sustainability of the business model

Difficulty in training: Installers and end customers may need time and guidance to properly integrate the solutions into their everyday life

Opportunities

Raising Awareness of Climate Change: Growing concern for the environment increases interest in water-saving solutions

Legislative Initiatives: Possible adoption of policies that promote water reuse and conservation

Development of the Green Economy: Subsidies and programmes for sustainable practices, e.g. the "SAVE" programme ("execonomo")

Expansion to Foreign Markets: Potential for expansion in countries with water scarcity problems

Threats

Competition from Large Companies: Larger firms having greater resources can dominate the market.

Economic instability: possible reduction in demand due to a general economic crisis or uncertainty

Weather Conditions or Natural Phenomena: Short-term changes in climate may alter the sense of urgency for consumption data and water demand

Changes in legislation: any severe restrictions or delays in licensing

4. MARKET STRATEGY

Customer segments:

1. Household owners who wish to have lower water consumption costs
2. People who are aware of water waste
3. Small hotel, craft and agri-food businesses with relatively high water consumption
4. Owners of houses or establishments, who are not permanently resident or are located at a great distance
5. Owners of old houses with defective plumbing

Competition analysis:

- With the exception of the dynamic flow switch all the individual components of a water recycling system are available on the market, especially for large installations
- As an example of a water recycling plant we can mention Hyperloop
- As an example of water purification Mebracom, which is aimed at large installations

Unique skills:

Integrated low-cost solution for residential and small business installations with remote control capability

Identification of needs and marketing strategy:

Each of the 5 customer segments will have a different approach and pricing policy reflecting both their different needs and the added value that WaterLoop can offer them

Pricing strategy and current stage of development:

- Our main product is the flow switch, which will be produced in 3 versions:

1. *simple, for wifi connection, mainly for residential use*
2. *with built-in SIM for remote areas (e.g. holiday homes, farms, cottages, rural areas, etc)*
3. *dynamic, with additional on-off capabilities for remotely opening/closing of the water circuit*

- Each type will have a different pricing strategy. The simple models will be able to be sold at a specific low price to make the company known and develop a large number of installations
- On the other hand, the other two types will be sold with subscriptions, offering the possibility of upgrades to their operating system. This will enable us to create long-term relationships with our customers
- We anticipate that upgraded switches combined with recycling systems will constitute the largest portion of our profitable revenues

5. OPERATIONS

Plan for the production/distribution of the product/services:

- In phase 1, the flow switch will be developed in a way that it can be produced on an industrial scale
- Then the specifications will be given to companies that can supply and assemble the individual components
- At the same time the applications for the IoT remote operation will be developed
- In phase 2, collaboration with specialist engineers will be undertaken to design and specify a modular grey water recycling system, which should have different versions depending on the needs of the key customer segments. The needs-solution correlations will feed into an AI system to automatically produce the solution system for each customer
- Finally, subcontractors will be sought who have the technical knowledge to reliably implement the technical solutions specified by WaterLoop's studies

Complexity of production:

From our research into potential suppliers of the required products and services that WaterLoop will need, we estimate that we will be able to find the necessary partners/suppliers

Resources required:

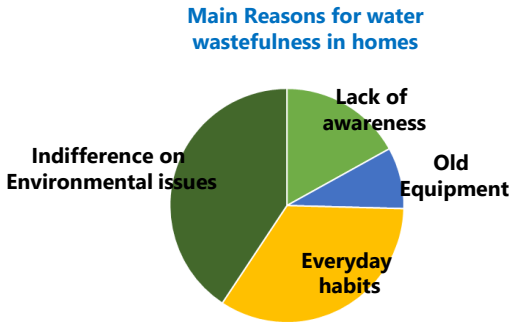
- A space will be rented in the industrial area of Magoula to house the company's offices, a small exhibition for its products and a warehouse area
- The location is considered convenient for visits for both partners and potential customers as it has access to exit 2 of Attiki Odos and a suburban train station, while there is space availability at reasonable prices
- In addition, there are several local small businesses that could be serve as an example of implementation that could be visited by potential customers, as reference installations

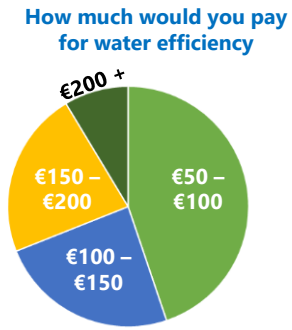
Product Cost:

- The cost of an industrial product consists of the initial development costs and the variable costs of production. That is, the more units one produces, the lower the unit cost
- We estimate that the first 1,000 switches will cost €75, the next 10,000 will be at €40 and the next 20,000 at €25
- In the other products that our system will need we will not have any difference from the current market prices, as there is no particular bargaining power for WaterLoop

6. SALES

Market Research:
We conducted a local market survey of residential users with 59 valid responses. The vast majority of responses indicated that environmental indifference and daily habits are responsible for water waste. Domestic users in an urban environment would pay between €50-€150 for a management system.



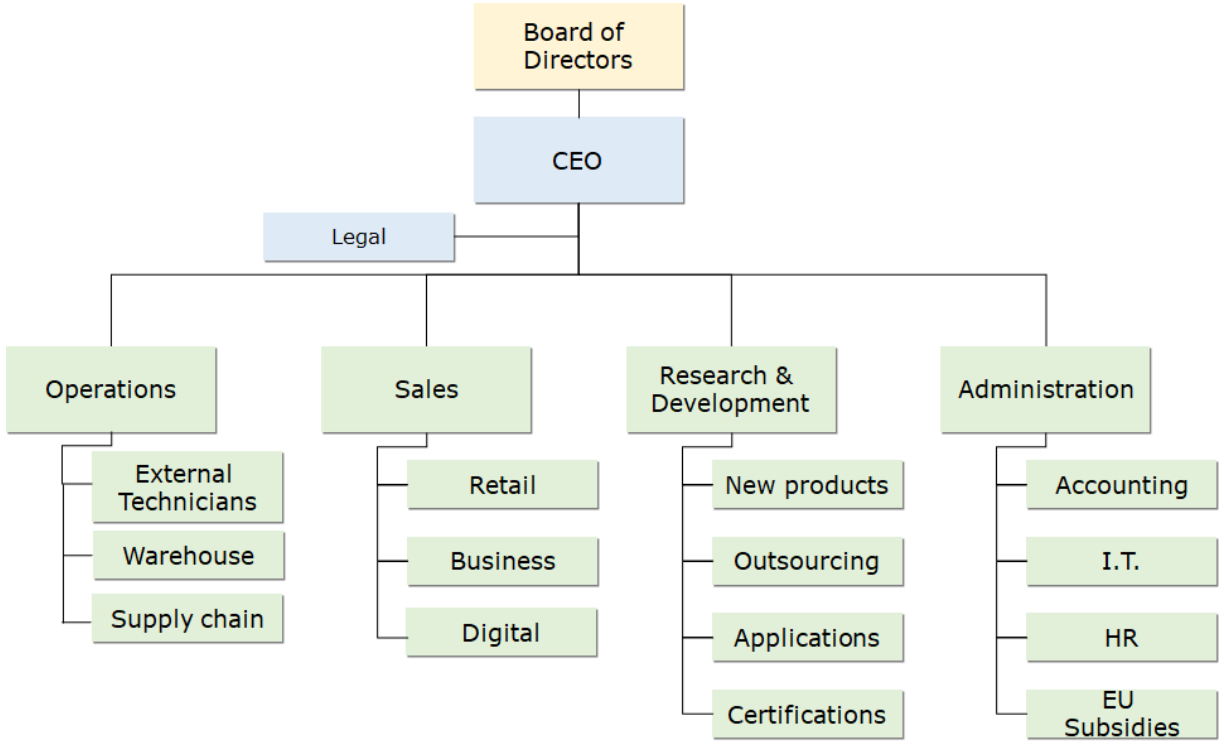


Sales Targets:

Set targets for 3 key customer categories:
- Urban residential, non-recycling switches only: From 300 devices in year 1 to 10k in year 5
- Integrated solutions for holiday homes and corporate customers from 25 in year 1 to 375 in year 5
- Consulting services from 10 in the 1st year to over 100 in the 5th year

Sales strategy:
- Environmental Education to educate the public on the importance of water recycling, the benefits to the environment and resource conservation
- Promotion of the product as a solution to reduce water consumption and energy waste, highlighting the importance of protecting water resources Promotion of certificates or awards for the ecological value of the product (e.g. eco-labels)
- Content marketing: creating content that highlights the environmental and economic impact of water recycling systems through success stories, customer testimonials and detailed case studies from users who have already installed the system
- Diagnostic Tools: Provide tools that allow residential and corporate customers to calculate the amount of water they can recycle, as well as the money they can save through recycling system implementation
- Particular emphasis on arid areas with uneven distribution of use (islands, tourist areas) where WaterLoop offers higher added value, both in water savings and remote control of the system
- Direct Sales and E-Commerce: Promote the product through the corporate website or other online stores, providing customers with the ability to place orders directly from the comfort of their home.

7. MANAGEMENT



Legal Form:

Private Equity Company (IKE), as it offers several advantages for start-up companies

Organization chart:

The governing body is the 5-member Board of Directors (BOD), it appoints the CEO (chief executive officer), who reports to BOD on a regular basis.

Reporting to the CEO are the Legal Department (external partner) and 4 Directorates responsible for the main functions of WaterLoop.

The depicted organizational chart will be fully staffed after the 3rd year, depending also on the progress of the company.

In all phases, the strategy is to maintain low costs with flexible working arrangements (part-time and outsourcing through external partners).

8. BUSINESS EVOLUTION

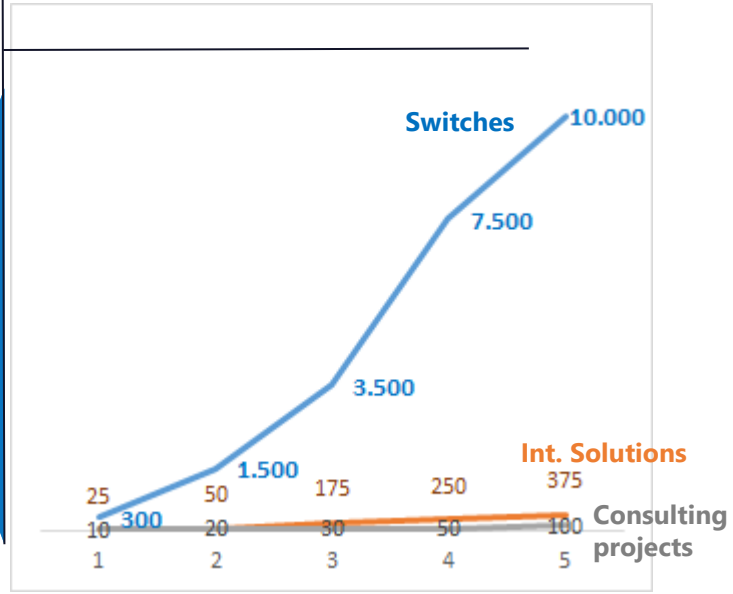
Personnel

3 Full time employees

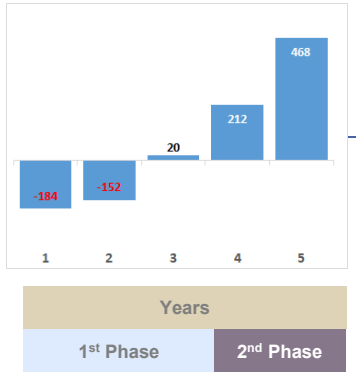
3 Part –time (including handicapped persons

50+ External, freelancers

Business Evolution

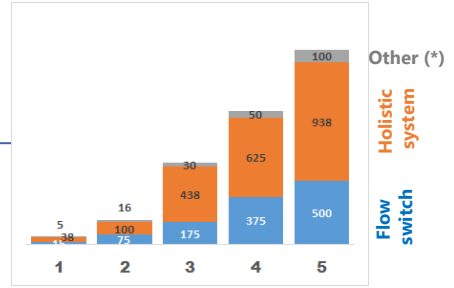


Annual Profitability

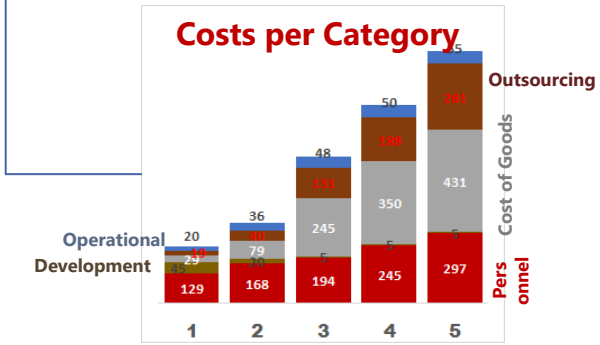


Amounts in € thousands

Revenues per stream



Costs per Category



Profit distribution:
For the first 5-year period, there will be no dividends to shareholders. Instead, the profits will be reinvested for the development of the company

(*) Other:
Refers to consulting and other income

Notes:

- the 3rd year is the year of full operation and positive profitability, as revenues will have exceeded €500 thousand
- In the 1st year there will be large development costs for design, switch programming, as well as set-up and installation costs
- The costs' evolution show the effort to correlate them with revenues (variable costs)

9. FINANCIALS

Amounts in € thousands

	1st year	2nd year	3rd year	4th year	5th year	Totals
Raising funds	250	200	0	0	0	450
Subsidies (NSRF, etc.)		35	15	15	20	85

Notes:
It is planned to raise capital in two phases: in the first year to cover the costs of setting up and developing the products and in the second year to organise operations in the desired target markets.
Best ESG (Environmental, Social, Governance) practices will be strictly followed as they fit WaterLoop's vision but are also increasingly the most popular way for investors and financial institutions to evaluate a company in order to invest in it

Prospect shareholders will be natural and legal persons with a particular interest in the development of start-ups aiming to protect the natural environment

5th Year Balance Sheet

ASSETS	5th Year
FIXED ASSETS	250
EQUIPMENT	90
INTANGIBLES	65
RECEIVABLES	55
CASH & EQUIVALENT	150
TOTAL	**610**

LIABILITIES	5th Year
OWN FUNDS	35
SPONSORS	150
LOANS	350
OTHER LIABILITIES	75
TOTAL	**610**

CONTRIBUTORS

Mentor

- Inspirational mentor mr. Leonidas Kanellopoulos Chief Sustainability Officer, Director of Corporate Affairs, TITAN

Teachers at Magoula Lyceum

- mrs. Katerina Dretaki
- mr. Athanasios Ntardas

Students Dream Team

Myrto Syleouni
Aggeliki Selimi
Anastasios Peppas
Panayiotis Trimponias
Panayiotis Straitouris
Ioannis Christofas
Socratis Raptodimos

Sponsors