

# **EverydayInvestors.net**

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# EverydayInvestors.net

## **Value Proposition:**

We have two groups for which we can show this calculation: investors currently with advisors and DIY investors. The investor using an advisor pays a management fee on its funds which usually ranges around 2.5%. Assuming a portfolio value of \$100,000, our site will save these investors \$2,500. Refer to Appendix A for the calculations.

Dalbar, a financial services research firm, concluded that the average investor returned 5% per year whereas the S&P 500 returned over 14%. This means that an investor with \$100,000 would suffer \$9,000 in loses on average. On top of this, Do-it-Yourself investors typically purchase professional reports over the internet to ensure that they have adequate information to make sound investment decisions. We have assumed an annual expense of \$200 for these reports. In all, EverydayInvestors.net can save Do-it-Yourself investors \$9,200 dollar on average per year (see Appendix A).

To get these figures we assumed that our site would only help investors match the market returns over any given time period. However, it is very possible that the information exchanged on our site will give investors the ability to exceed market returns.

## **How to integrate the internet into our business model:**

EverydayInvestors is entirely based on the internet. Aside from our website, we will use the internet for marketing purposes. Also, the internet will be our source for stock quotes as well as the main sources for our customers to acquire information. In EverydayInvestors.net almost all the inflows and outflows of capital and information will take place over the internet.

## **Customer Acquisition:**

To acquire a customer base Everydayinvestors will begin by setting up financial seminars that will be funded through the pre-sale of admission passes. The seminars will be used to brand and market Everdayinvestors, with the intentions of building a membership base.

Everydayinvestors will also market directly to professors in the financial field, approaching professors in the attempts to market the service. Professors in the financial field use stock simulators to provide students with a real experience, an experience that allows the students to learn from their own mistakes. With Everdayinvestors.net students cannot only learn from their own mistakes but also everybody else's. The collaborative feature of Everdayinvestors provides students with an engaging environment for student learning. This will help establish a reoccurring membership base as the students cycle through their semesters.

To utilize social marketing, Everydayinvestors will be active among social networking websites such as Facebook and Twitter. Everydayinvestors will post updated news feeds in the attempt to gain friends and followers. This will help develop both a browser and membership base.

Moreover, Everydayinvestors, will launch contests so that members can compete to see who can receive the highest return on investment (in %). The winners will receive a cash prize. This marketing strategy will hopefully build a larger customer base.

The marketing strategies undertaken by Everydayinvestors are cost efficient. As mentioned above the pre-sales to the seminar will be used to fund the entire event. In addition, we will market our service directly to the professors (cold calls and meetings) incurring very little cost. The social marketing will be free of charge and offer an avenue to gain a larger customer base.

### **Cash Conversion Cycle:**

EverydayInvestors.net does not carry inventory nor does it have COGS. Therefore, the CCC calculation is reduced to  $CCC = ART - APT$ . EverydayInvestors will aim to be paid by its advertisers within 10 days or less, thus reducing the ART. In turn, EverydayInvestors will pay its suppliers (employees) every 14 days. This leaves EverydayInvestors with a negative Cash Conversion Cycle.

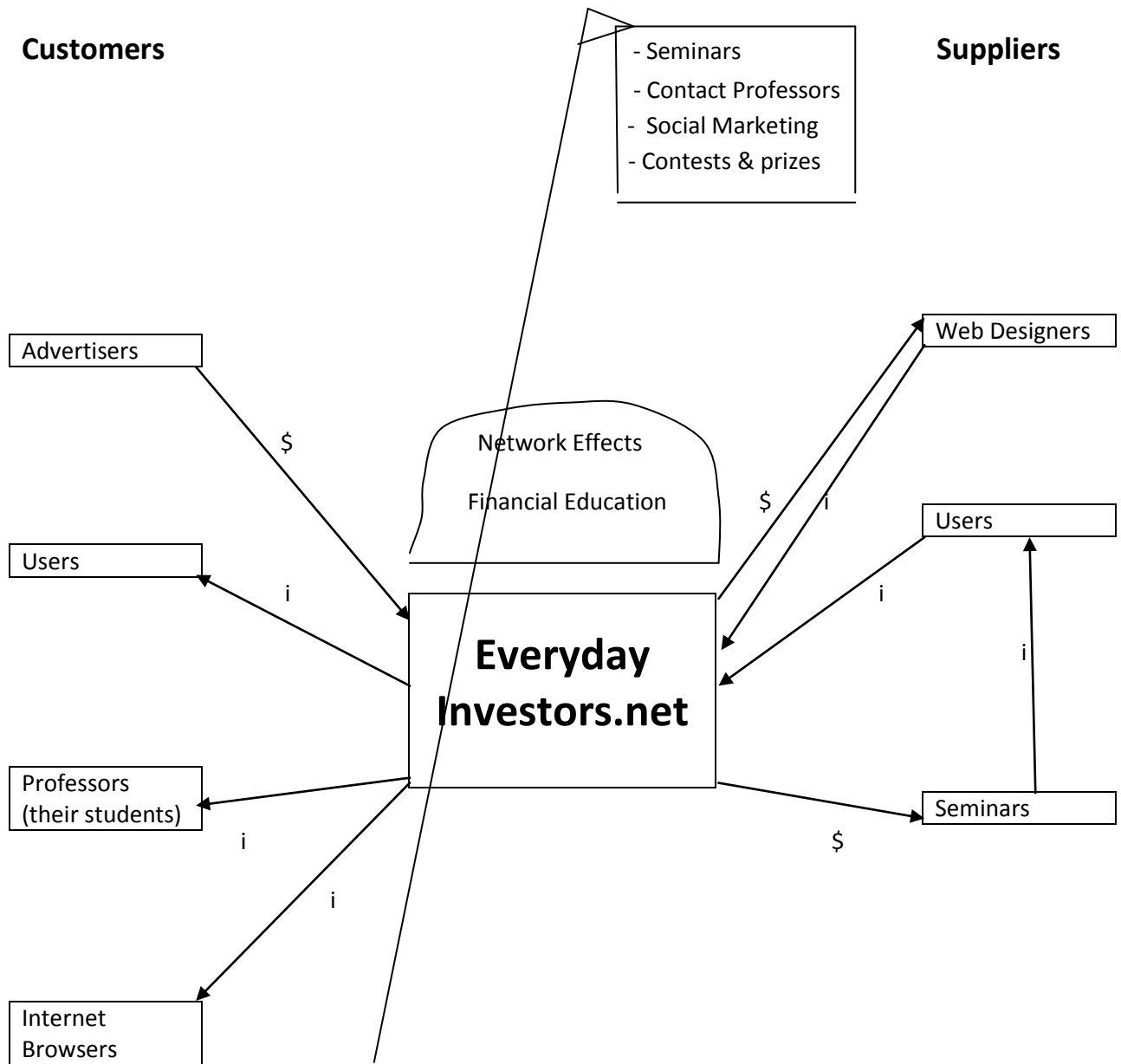
### **Bootstrapping and Self-Capitalization:**

EverydayInvestors will apply forced savings to self-capitalize ourselves. It means that in the early stages of the business' life, all profits will be pumped back in the website to promote its development. We believe that this is the best method of bootstrapping ourselves since our start-up costs are relatively low and because we require a large volume of customers to a) make a significant profit and b) to achieve greater network effects.

### **Why us?**

Alex and I are both Management Students with backgrounds in Finance, Management and Human Resources. We have strong work ethic and a never give up attitude. But most importantly we are passionate about entrepreneurship and passionate about providing our customers with the tools to control their own financial future. Advise Yourself!

# EverydayInvestors.net



## Appendix A

### **EverdayInvestors.net**

Value Proposition

Assuming \$100,000 portfolio

#### **Investor with advisor**

Save Advisor Commission (2.5%) \$2,500

**Total Saved** **\$2,500**

#### **DIY Investor**

Reports Costs \$200

Mistakes (9%) \$9,000

**Total Saved** **\$9,200**

## Appendix B

### EverdayInvestors.net

#### Financial Model

|  |               |
|--|---------------|
| Average Visits per month                     | 20            |
| Click through rate                           | 2%            |
| <b>Average clicks per customer per month</b> | <b>0.4</b>    |
| Payment per click                            | \$0.25        |
| <b>Value of 1 customer per month</b>         | <b>\$0.10</b> |